

Iranians Said to Mine Gulf

U.S. Examines
Danger to Navy
Ships, Tankers

By David B. Ottaway
Washington Post Service
WASHINGTON — Iran has begun laying shipping mines in the northern Gulf and the United States is assessing the potential threat to both its naval vessels and Kuwaiti tankers sailing under the U.S. flag, an administration official said.

Marine salvage sources reported that the mines have been laid in waters leading into Kuwait's main oil port at Ahmadi, the official said Wednesday.

At first the mines were thought to have broken loose from the Shatt-al-Arab waterway between Iran and Iraq, but it now looks as if they have been planted, the official said.

"This is a new development," he added. "It's not clear how much of a threat it's going to be."

Iranian destruction of Kuwait-bound ships without direct military confrontation with the United States appears to be a contingency the administration must now fully consider. A Soviet tanker leased to Kuwait hit a mine in May just outside Kuwaiti waters.

The U.S. Defense Department is planning to add three more warships to its five-vessel force in the Middle East in order to provide a military escort for 11 Kuwaiti ships that will sail under the American flag.

A Pentagon spokesman said Tuesday there are no plans to add minesweepers in the Gulf, but the Pentagon is evaluating the mine threat. One U.S. official noted that Saudi Arabia has four U.S.-built minesweepers in its small navy.

The Soviet Union, which has leased three oil tankers to Kuwait, now has four minesweepers in the Gulf and is adding a missile cruiser, according to a U.S. assistant secretary of defense, Richard L. Armitage, who testified before the Senate Foreign Relations Committee on Tuesday.

The use of mines is a tricky international issue because the Iranians appear to be laying them inside Kuwaiti territorial waters where U.S. naval ships escorting the tankers are not now scheduled to enter. The tankers could be escorted through the Gulf only to hit an Iranian mine later.

In 1984 a Libyan ship is believed to have spread mines in the Red Sea.

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Klosk Gandhi's Party Routed in North

CHANDIGARH, India (Reuters) — Prime Minister Rajiv Gandhi's Congress (I) Party was swept from power Thursday in the northern state of Haryana by an opposition landslide. It was one of the party's worst defeats in an Indian state election.

The loss was a major setback for Mr. Gandhi. The election had been viewed as a popularity test for him after allegations of corruption against his administration and a series of election setbacks since he took command of the party in 1984. With results complete for 50 seats in Haryana's 90-seat Legislative Assembly, Congress Party candidates had won two seats.

The People's Party and its ally, the Hindu-revivalist Bharatiya Janata Party, had 44 seats.



Pham Hung, 75, a former guerrilla leader, was named prime minister of Vietnam. Page 2.

GENERAL NEWS

■ A long-term ban on U.S. imports of Toshiba Corp. products is sought. Page 2.

■ Israel condemned Pope John Paul II's decision to grant an audience to President Kurt Waldheim of Austria. Page 6.

Don close: UP 0.78
The dollar in New York:
DM 2.36 Yen 144.60
1.3225 1.6295 144.60 6.0925



Protesters in Seoul overpowered and disarmed a squad of riot police Thursday, then set fire to its riot equipment.

American Kidnapped In Beirut

By Ihsan A. Hijazi
New York Times Service

BEIRUT — An American journalist has been kidnapped in a predominantly Shiite suburb of the Lebanese capital along with a son of the country's defense minister, the police said Thursday.

Charles Glass, 40, in the southern suburb of Qunayt on Wednesday afternoon, bundled him into the trunk of one of the vehicles and sped away, the police reported.

Mr. Glass, a veteran Middle East correspondent for ABC News, left his job a few months ago and was working on a book about the Middle East. His kidnapping raises the number of Americans missing in Lebanon.

In Washington, the State Department said it was "deeply concerned" over the new kidnapping and reiterated that the United States "will not yield to terrorist blackmail," according to United Press International. The news service quoted a department statement as saying: "While much remains unclear, we assume this is another terrorist attempt to manipulate the United States through our concern for our citizens."

Mr. Glass was on his way back to Moslem West Beirut after a visit to the port of Sidon in southern Lebanon.

Witnesses said he was traveling in the chauffeur-driven limousine of Ali Ouseiran, the son of Defense Minister Adnan Ouseiran.

The unidentified gunman intercepted the Volvo, seized Mr. Glass by the collar and dragged him away, apparently uninterested in his Lebanese companions. Mr. Ouseiran, however, insisted that the gunmen either release Mr. Glass or take him along. They then pushed Mr. Ouseiran and his driver into their car and drove off.

In New York, Reuters quoted reports by Cable News Network suggesting that Mr. Glass may have been kidnapped to prevent him from giving testimony against Mohammed Ali Hamadeh. Mr. Hamadeh was a senior Lebanese official.

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NATO Chief Sees Political Motivation In White House Drive for Arms Pact

By Jim Hoagland
Washington Post Service

MONS, Belgium — General Bernard W. Rogers, the departing military commander of NATO, has sharply criticized the Reagan administration for seeming to rush to an arms control agreement with the Soviet Union on medium-range missiles as a way of protecting the administration's political credibility and image of leadership.

Speaking in an interview at the end of an eight-year tour with the North Atlantic Treaty Organization, General Rogers also issued a call Wednesday for the alliance to "draw the line" after the completion of the medium-range agreement by rejecting further proposals that would affect any other nuclear weapons system in Europe capable of striking Soviet targets.

"Somebody ought to stand up

out there and say to NATO, 'Time out, dammit!'" General Rogers said. "We have moved too quickly and it is time for us to sit back and think and reorganize ourselves" before dealing with further arms control proposals from the Soviet leader, Mikhail S. Gorbachev.

"Somebody has to say, 'We go no further until we know what we are doing and what the long-term impact is going to be,' not just what the short-term advantages for governments and their credibility are," General Rogers said.

This position puts the general at odds with the West German government, which has called for negotiations with the Soviet Union to deal with short-range battlefield nuclear missiles. General Rogers acknowledged that the alliance is now split on the question of establishing "a firewall" in negotiations.

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Critics Question Howard Baker's Effectiveness

By Gerald M. Boyd
New York Times Service

WASHINGTON — A series of missteps by the White House, ranging from the Venice summit meeting to Middle East policy, is prompting acerbic criticism of Howard H. Baker Jr., the new White House chief of staff.

Among the more serious recent

tude in managing day-to-day business. Even his critics acknowledge that Howard Baker is handicapped by his association with a president caught up in the Iran-contra affair. In addition, some of Mr. Baker's personal performances, including the lackluster manner in which he delivered a speech to the nation Monday night, has generated new questions about the 76-year-old president's stamina.

The new staff that came to the White House with Mr. Baker is also being held responsible by some White House officials for the impression that Mr. Baker's performance was inadequate at the economic summit meeting in Venice.

While the recent failures have been both major and minor, they are especially puzzling because Mr. Baker assumed the White House job four months ago amid high expectations for success. Unlike Mr. Reagan, Mr. Baker was widely regarded as knowledgeable in such areas as public relations and particularly in dealing with Congress, where he served as Senate majority leader.



Howard H. Baker Jr.

Officials raising doubts about Mr. Baker's performance question his effectiveness in handling issues like the summit meeting, and in shaping the Reagan agenda. In the latest example of uncertain stewardship of administration

Riots Spread in Seoul As Government Seeks Conciliation With Foes

By John Burgess
Washington Post Service

SEOUL — Central Seoul became a war zone Thursday night, as tens of thousands of anti-government protesters seized streets and squares in the largest and most violent chapter of a political crisis that began June 10.

The rioting occurred as the government appeared to be preparing to offer concessions to the opposition in a bid to calm the streets.

In one incident Thursday, the protesters overran a unit of about 80 policemen, beat some of them badly and burned their shields, masks and tear gas rifles in giant bonfires. They attacked at least one police station and put a police bus to the torch.

The riot policemen have not been carrying guns during the crisis, relying instead on tear gas and truncheons.

The police fired thousands of tear gas canisters but demonstrators seemed hardly to notice. Each time they were dispersed by tear gas, they formed up on adjoining blocks and alleyways and closed in again with rocks and firebombs.

Reports said that clashes also continued Thursday in the provincial cities of Pusan and Taegu.

Thursday's events provided new evidence that the government of President Chun Doo Hwan, which values order in the streets above all else, is no longer able to maintain it and must seek some type of extraordinary solution.

Last weekend, the government gave serious consideration to emergency measures, including martial law. That approach was rejected, however, as party moderates argued that the protests would be better ended through conciliation.

Emergency steps would refute the government's long-standing claims that it has put South Korea on a steady if slow course toward democracy. It would also be a major embarrassment abroad, especially in view of the 1988 Summer Olympics that are scheduled to be held in Seoul.

Mr. Chun met Wednesday evening with the ruling party's presidential nominee, Roh Tae Woo, and other senior party officials to examine the options open to them.

Party officials were not reachable for comment Thursday night. But press reports said they were exploring face-saving maneuvers by which the government would back off from its "irreversible" decision of April 13 to cancel negotia-



Protests have broken out in Seoul, Pusan and other cities whose names are shown.

tions with the opposition toward amending the constitution.

The decision was deeply unpopular, a point some ruling party officials now concede.

"Reverse the constitutional decision!" has been paired with "Down with military dictatorship!" to make a chant that is constantly on the lips of the demonstrators.

The government has said that the talks can only be resumed after the Olympics are over.

But officials are now talking of offering to resume them in the National Assembly at an unspecified earlier date and to put the reversal of the decision to a vote in a national referendum.

Mr. Roh was depicted as taking an assertive role in the search for a solution to the crisis, the worst challenge to Mr. Chun since he came to power in 1980 after a coup.

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Gloomy OECD Warning Cites Economic Decline

By Carl Gewirtz
International Herald Tribune

PARIS — The leading industrial countries were told Thursday that unless they spur world economic growth and attack the malaise undermining business confidence, "a chain of events... unpleasant to contemplate" could be triggered and lead to economic turmoil.

"The economic situation has deteriorated in recent months," and "slow growth, high unemployment

and large payments imbalances are likely to persist," the 24-nation Organization for Economic Cooperation and Development said in one of its gloomiest reviews of the world economy in several years.

The steady decline in economic growth, actual and projected, in the leading industrial countries is "disquieting," the OECD said in its semiannual Economic Outlook, and "little acceleration is likely" over the next 18 months.

The OECD has lowered its estimate for 1987 economic growth from 3.25 percent projected in mid-1986, to 2.75 percent forecast at the end of last year and, currently, to 2.25 percent.

Like the annual report issued earlier this week by the Bank for International Settlements, the OECD report said there was an urgent need for coordinated government action to restore business confidence, stabilize currencies and encourage investment.

The OECD, however, laid the main responsibility for corrective action on the United States and West Germany.

Without such action, the OECD said, it fears that the United States will be unable to make sufficient progress in reducing its current-account deficit to satisfy foreign exchange markets that currency rates can be stabilized. The danger in this, it said, is that a crisis in foreign exchange markets could be triggered that would spread rapidly throughout the economic system.

"Increasing tensions in trade relations, together with Third World debt problems, would then risk leading to a cumulative and serious weakening in economic activity worldwide," it said.

The current account includes trade in merchandise and services as well as some capital movements. Up to last year, the U.S. deficit had been financed by foreign investors purchasing dollar securities — stocks and bonds — and other assets. But starting late last year, the deficit has been financed by foreign central banks intervening to support the dollar and subsequently placing that money in U.S. government securities.

David Henderson, head of the OECD's economics and statistics department, said the downward revisions and latest projections are a source of "increasing concern."

"The news is disquieting because the preconditions for a better performance were in place," he said, pointing to relatively low levels of inflation in the major countries, the strong recovery in corporate profit margins and the drop in oil prices at the beginning of last year.

There are already increasing signs that uncertainty about currency values is undermining confidence of businesses and causing them to slow or cancel spending on new plant and equipment.

"It is clear," Mr. Henderson said, "that growth prospects would be improved if greater stability in

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TV's Latest Recipe: Corn Flakes and Conversation

By Craig Thompson
Special to the Herald Tribune

LONDON — The invitation said cocktails at 7 P.M., but a nightcap might have been more appropriate for the broadcasters gathered in London. Seven o'clock sounds like a sociable hour for most people, but for those who produce early morning television, it is rapidly approaching bedtime.

For this week anyway, those irregular sleeping patterns have been abandoned as 186 delegates from 31 countries get down to some serious discussion about breakfast television.

It's clear from all the talk at the "Good Morning World" conference, meeting at a London hotel, that a lot has been going on while most of the world has been asleep.

From Tokyo to Madrid, people are wising up the sleep of the day and a time slot that requires a special approach. said Bruce Gynell, the managing director of Britain's highly successful morning television group TV-AM, which is the host of the conference. "At that time of day people want to be informed, but they don't want to be clobbered with information."

"A lot of broadcasters are getting into 24-hour television."

he said, "and the breakfast time slot is an indispensable part of the day."

Breakfast television is not a new idea. In the United States it goes back 25 years. But in Europe and the Far East, it has caught on only recently, and it is now spreading so rapidly that program producers are rushing to consult each other to find the winning formula.

There's "Good Morning Hong Kong." "Good Morning

Until this conference, who might have known that in Europe, Italians sleep the latest?

Britain," "Buenos Dias" in Spain. "El Mundo Latino" in Mexico and "Telematin" in France.

Austria tried breakfast television, said Horst Janick, an executive with the country's state-run ORF television service, but it was not a success.

"Austrians have a rather short breakfast, and they're always in a hurry and they're usually quite late," Mr. Janick said. "They just manage to make their bus or train."

It's another story in Mexico, however, where breakfast television is immensely popular.

"In Mexico you're glad to get up and face the new day,"

said Maria McBride, the London correspondent for Mexican television. "And we're so talkative that we need to know the latest information, otherwise we'd feel left behind."

In contrast, she said, morning television in colder northern European countries such as Britain "needs to be much more smooth, like a glove that caresses those who don't want to get out of bed and face the British winter."

Finding the right balance of entertainment and information has turned the business of morning TV into a science. And the ranks of market researchers have swollen as executives demand to know just how long it takes people in their "audience profile" to eat breakfast.

"You must know your audience almost as well as you know yourself," said Straits Zegraphos, finance director of Britain's TV-AM. "What people do in the morning, when they get up, how long they spend on eating breakfast, whether they have a shower or a bath and where the TV set is — we try to pace our program to that."

Some of the researchers arrived for the conference armed with life-style surveys, audience forecasts, bar graphs and charts — data on all the intimate details programmers need to know about their audiences.

In some cases, this demographic research highlights differences in cultures.

Until this conference, who might have known that in

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Casual Cabbies Are Collared In New York

New York Times Service

NEW YORK — New York cabbies soon will have to wear shirts with collars and their pants or skirts will have to reach to at least mid-thigh and have no holes, under a dress code given preliminary approval by the city's Taxi and Limousine Commission.

The commission chairman, Gorman Gilbert, said the new rules were intended to "improve the image of drivers, to professionalize the drivers and respond to complaints."

The new dress code prohibits cut-off jeans, T-shirts, tank tops and bathing trunks. A violation carries a \$25 fine.

The code must be approved a second time before it takes effect.

Moscow Lets Latvians March to Honor Victims Of 'Stalinist Repression'

By Robert Gillette
Los Angeles Times Service

WASHINGTON — In a remarkable public display of nationalist sentiment, more than 1,000 Latvians marched quietly and without Soviet police interference through the heart of Riga to commemorate victims of Stalinist repression, according to Soviet and émigré sources.

The sources, including a 21-year-old organizer reached by telephone Wednesday in Riga, said the march lasted more than three hours Sunday and gathered as many as 5,000 participants and onlookers that evening when the throng reached the central square.

Latvian and Estonian émigré groups in the United States who received similar telephone reports said this was the first time in memory that a dissident group in the Soviet Union had announced plans two weeks in advance for a large demonstration and had been allowed to proceed.

Much more than a public remembrance of Stalin's victims, something in itself long forbidden in the Soviet Union — the demonstration was an implicit but clear appeal for freedom and independence for the Baltic states, émigré spokesmen in the United States said.

Annexed by the Soviet Union during the Soviet alliance with Germany in 1940, the once-independent republics of Latvia, Estonia and Lithuania on the Baltic coast have remained hotbeds of nationalist sentiment, made more intense in recent years by Moscow's efforts at "Russification."

The three republics, whose annexation the United States has never formally recognized, have a combined population of about 7 million.

Customary Soviet practice has been to arrest nationalist and human rights activists long before they can carry out such demonstrations.

The several Latvians and Estonians who telephoned reports to the West of Sunday's demonstration attributed police restraint in this case to the policy of the Soviet leader, Mikhail S. Gorbachev, granting limited relaxation of controls on information and expressions of public opinion.

Spontaneous demonstrations have broken out occasionally in the past in the Baltic republics, usually after official folk festivals or sports events, but these have been swiftly suppressed by police.

In a telephone conversation from Riga on Wednesday, Rolands Silars, who identified himself as one of the leaders, said he believed the authorities permitted the march as part of Mr. Gorbachev's policy, but he said it also appeared that police forces were inadequate to disperse the crowd at its peak.

Speaking in Russian, Mr. Silars said the demonstration began at 4 P.M. Sunday with several hundred people who turned out in response to appeals circulated by a small human rights group calling itself Helsinki '86. The organizers, he said, urged participants to avoid provocations such as anti-Soviet chants or confrontations with police.

As they walked quietly to Riga's nearby Monument of Freedom, he said, applauding onlookers swelled the crowd to about 1,000, while another 4,000 joined them at the monument to hear speeches and a solemn ceremony commemorating the thousands of Latvians rounded up by Soviet secret police on the night of June 14, 1941, and deported to their deaths in Siberia.

When the authorities tried to drown out the speeches by playing music over loudspeakers, the crowd responded by singing patriotic songs from Latvia's days of independence, he said.

According to other reports, banners were left at the monument inscribed "For the Fatherland and Freedom" and "God Bless Latvia," the name of the former national anthem.

Asked whether it could be de-

scribed as a nationalist or anti-Soviet demonstration, Mr. Silars said: "This would not be correct. It was to commemorate the 38,000 victims of June 14, 1941."

A spokesman for Latvian-American groups, Ojars Kalnins, said there have been several nationalist demonstrations at Riga's Freedom Monument in the past six months, but this was the first time a gathering had been announced in advance and allowed to proceed.

"It is also the largest crowd to gather at the monument since the Soviets occupied Latvia in 1940," Mr. Kalnins said. He added that little was known about the organizers except that "they are a very gutsy group."

According to the state-run Moscow News, an "unofficial" hard-line group of about 400 marched in Moscow on May 6 protesting what it called Zionists, Masons and imperialists in the Communist Party and the "Americanization" of Soviet society.

Some Western analysts said this march appeared to have the support of influential hard-line elements in the Communist Party.



Informal Meeting of Ministers From India, Sri Lanka

The foreign minister of Sri Lanka, A.C.S. Hammed, left, held an informal discussion with India's minister of state for external affairs, Narwar Singh, Thursday during the conference in New Delhi of the South Asian Association for Regional Cooperation. Although bilateral issues are not supposed to be discussed at the conference, Mr. Hammed was expected to meet in private with Indian officials following his nation's threat of a boycott following India's air drop of relief supplies to the Tamils.

ASEAN Talks Turn to Refugees

Shultz Responds to Concerns Over 'Compassion Fatigue'

By Michael Richardson
International Herald Tribune

SINGAPORE — Asian and Western countries that have had to cope with more than a million refugees from Indochina since 1975 are complaining strongly about a continuing outflow, but they do not believe it will end soon or that they can do much to stop it.

The countries agree that the ultimate solution lies in Vietnam, Cambodia and Laos, where years of warfare, political conflict and economic hardship have driven many people to leave.

But discussion of the issue here Thursday among foreign ministers of the Association of Southeast Asian Nations and senior officials from the United States, Japan, Canada, Australia, New Zealand and the European Community exposed some differences over how the problem should be handled.

George P. Shultz, the U.S. secretary of state, said that it had become clear that "the refugee problem in this part of the world is an enduring one, and we must realize that solving it will be a long-term process for all of us."

Referring to ASEAN countries and Hong Kong, which have agreed to offer temporary asylum to refugees pending resettlement in the West, he noted that there was growing concern among some of them that the resolve of the nations that admit the refugees for resettlement was beginning to wane.

At the same time, he said, "There is growing concern in the United States and other resettlement coun-



Secretary of State George P. Shultz addressed the refugee question on Thursday.

tries that the principle of first asylum may be in danger."

In March, the United States protested to Thailand over what it said was the forced repatriation of a group of Hmong tribesmen to Laos.

In a statement Sunday, ministers from the six ASEAN countries — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — expressed concern over "compassion fatigue" among Western countries that are still resettling Indochinese refugees more than 12 years after the end of the Vietnam War.

The ministers asserted that this had caused a slowdown in the resettlement program that would increase the number of Indochinese refugees in camps in ASEAN countries.

Statistics compiled by the office of the UN high commissioner for refugees show that at the end of May there were just over 140,000 refugees from Vietnam, Laos and Cambodia in camps in ASEAN countries and Hong Kong, about 5,000 fewer than at the end of 1986.

Most are in Thailand, where there are also about 250,000 Cambodians displaced by the conflict in that country.

However, UN officials confirmed that there had been a substantial increase in the number of Vietnamese refugees arriving in Thailand and Malaysia this year by boat.

Hanoi asserts that the departures are illegal and one of the consequences of the war with United States.

Other sources said that unless Vietnam and the United States reached agreement in the next few months on terms for resuming interviews in Ho Chi Minh City under an orderly departure program for Vietnamese wanting to leave for the United States, the number of people leaving by boat would rise.

The United States has accepted more than half of all the refugees leaving Indochina since 1975. Canada, France and Australia have taken most of the rest.

In their statement, the ASEAN ministers called on resettlement countries not to reduce their intake or impose conditions that would make resettlement more difficult.

But Bill Hayden, Australia's foreign minister, said Wednesday that before accepting this proposal Australia would want to be sure that "we are really dealing with genuine refugees, and not economic émigrés."

Australian officials contended that interviews of Indochinese in camps in ASEAN nations and Hong Kong had indicated only a small proportion left their countries because of well-founded fears of persecution. U.S. officials dispute this.

Mr. Shultz said the United States would continue to resettle refugees "in substantial numbers."

U.S. officials said Wednesday that up to 30,000 Indochinese refugees would be admitted to the United States in fiscal 1987.

However, they added that with budget problems, refugee quotas and other restrictions likely to be applied, "you can be justly concerned about the levels in the future."

Joe Clark, Canada's secretary of state for external affairs, said Thursday that Australia, Japan, the United States and Canada were trying to work out proposals for "more durable solutions" to the Indochinese refugee problem.

He did not elaborate, but Canadian and Australian officials familiar with the discussions said they hoped that a package could be ready by autumn for presentation to ASEAN for comment.

Elders Win 2 Top Posts In Vietnam

By Reuters

HANOI — The Vietnamese National Assembly named Pham Hung, an aged and ailing former Viet Cong guerrilla leader, as prime minister Thursday in what appeared to be a transitional appointment.

Vo Chi Cong, 74, an advocate of pragmatic economic change, was given the largely ceremonial post of president, replacing Truong Chinh, 81, Vietnamese officials said.

Mr. Hung, 75, replaces Pham Van Dong, who had been the prime minister since the mid-1950s. The prime minister and president rank two and three in the party behind the new party leader, Nguyen Van Linh.

Foreign Minister Nguyen Co Thach said at a news conference that Mr. Cong pioneered pragmatic economic management in the late 1970s.

Mr. Hung, Mr. Dong and a full slate of mostly incumbents, of other state and government leaders were elected in secret balloting of the 496-seat assembly. The assembly members were elected in April.

Vietnamese officials said privately that the appointments of Mr. Hung and Mr. Cong appeared to be transitional moves. One Western diplomat said the appointment of Mr. Hung, long troubled by heart and liver ailments, could come as a setback for Vietnamese hoping to see younger and more dynamic leaders tackle massive economic problems.

Mr. Thach did not agree when reporters suggested that might be so. He said the prime minister was selected to take the lead in implementing the process of renovation and renewal. He said younger men have not accomplished as much as Mr. Hung.

Since December, renewal and renovation have become Communist Party rallying calls to stop a disastrous economic slide and purge the party and government of indolent, corrupt or greedy bureaucrats.

Observers said the choice of Mr. Hung instead of Mr. Thach or other state planning commission head, Vo Van Kiet, both men in their 60s regarded as reformers, was not surprising in view of the secretive Politburo's penchant for highly collective decision-making and its Confucian tradition of respect for seniority.

One party member said that the appointments were the assembly's best options and correspond to reality.

Mr. Linh and other reform-minded officials at the top of the Communist hierarchy have been calling for drastic, but gradual change in the government and party leadership.

In an unusual move, Vo Nguyen Giap, the hero of the siege of Dien Bien Phu in 1954, was retained as a deputy prime minister even though he did not win an assembly seat in the April elections. Mr. Thach said the constitution allows it.

Mr. Thach also blamed China and the Association of South East Asian Nations for the stalemate in Cambodia, saying Vietnam would welcome a visit by its Indonesian counterpart, Mochtar Kusumatadja, the ASEAN spokesman on Cambodia.

Earlier this week, Mr. Mochtar said at a meeting of ASEAN foreign ministers in Singapore that he would go to Hanoi later this month to discuss signs of progress in the eight-year conflict.

"We hope this visit can contribute to settlement of regional problems including Cambodia," said Mr. Thach, who added that Hanoi has yet to be told if and when Mr. Mochtar would come.

Senate Panel Calls for Ban On Imports From Toshiba

By David E. Sanger
New York Times Service

WASHINGTON — Members of a Senate oversight committee have called for a long-term ban on imports of products made by the Toshiba Corp. because a subsidiary of the Japanese conglomerate played the leading role in diverting critical submarine technology to the Soviet Union.

The sharp demands for retaliation, against both Toshiba and Japan, took Reagan administration officials by surprise.

The call for action came at a Wednesday hearing, held by the Senate Subcommittee on International Finance and Monetary Policy, with Democrats and Republicans expressing strong support for retaliation against the Toshiba Corp., owner of the Toshiba Machine Co., which sold the machines.

The Senate panel's demands came only a day after the House of Representatives, in a 415-1 vote late Tuesday, passed an amendment requiring the State Department to "enter into discussions with Japan and Norway regarding compensation for damage to United States national security" arising from the incident.

The United States has never before demanded damage payments for such a loss, and the Norwegian ambassador to the United States called the House vote "misguided."

Administration officials have characterized the incident as one of the worst losses of high-technology equipment to the Soviet Union in a decade. The debate over compensation appeared to point toward a quickly widening rift between the United States and two of its closest allies, Japan and Norway.

In testimony on Wednesday, Defense Department and Commerce Department officials were sharply critical of the two countries. They cited "the complete failure" of export control authorities in Tokyo and Oslo to stop the shipment in 1983 of four giant milling machines. Because of weak export control laws, they said, several suspects escaped prosecution.

The milling machines are used to make complex propellers that enable submarines to run more quietly. Military experts say that since the sale of the machine tools, Soviet submarines have been running quieter than before and are eluding detection. The milling machines and the computers that control them are banned from shipment to the Soviet bloc by the Western allies and Japan.

Japan has punished Toshiba Machine by prohibiting it from selling products to the Soviet bloc for a year. But on Wednesday, several senators called that action "tokenism."

Some executives of Toshiba Machine have been indicted or arrested in Japan in connection with the case, but there is no evidence that anyone in the parent company was involved.

The Japanese government said Thursday that Toshiba Machine Co. has admitted to more illegal exports of sensitive technology to the Soviet Union, United Press International reported from Tokyo. Officials of the Ministry of International Trade and Industry said Toshiba has admitted exporting four milling machines in 1984 similar to the ones it exported to Moscow in 1983.

At the hearing on Wednesday, several senators suggested harsh action be taken against Toshiba. "It's time that an example be made of Toshiba," said Senator Jake Garn, Republican of Utah. "We ought to really hurt Toshiba and let the word out to high-technology manufacturers around the world."

Mr. Garn was joined in his call by the three other committee members at the hearing: Senator Richard C. Shelby, Democrat of Alabama; Sen. John Heinz, Republican of Pennsylvania; and Senator Paul S. Sarbanes, Democrat of Maryland, the committee chairman.

Mr. Sarbanes charged that the Japanese had "traded off \$17 million in technology for something that will cost far, far more to the United States."

The administration has not taken a formal position on sanctions against the countries and companies involved in the diversion. On Wednesday, officials from the Commerce, State and Defense departments seemed generally opposed to any unilateral action by the United States.

■ **Norway Appeals to U.S.**
The Norwegian prime minister, Gro Harlem Brundtland, has sent a personal message to President Ronald Reagan in an attempt to avoid a serious trade dispute between the two countries, the prime minister's office announced Thursday. Agency France-Press reported from Oslo.

In her letter to Mr. Reagan, dated Wednesday, Mrs. Brundtland said the subsidiary responsible for the sale of equipment to the Soviet Union has been dissolved. She also said her government is introducing stricter legislation to insure that similar breaches do not recur.

WORLD BRIEFS

Soviet Rejects Reagan's Berlin Speech

MOSCOW (Reuters) — The Soviet foreign minister, Eduard A. Shevardnadze, has rejected President Ronald Reagan's call for demolition of the Berlin Wall as inflammatory and melodramatic. Pravda said Thursday.

In a report from Budapest, the Communist Party newspaper quoted Mr. Shevardnadze as saying barriers in Europe "would best be overcome by acts in favor of peace, security and cooperation." The comment by the foreign minister, on a visit to Hungary, was the first detailed Kremlin reaction to Mr. Reagan's "pull down the wall" appeal to the Soviet leader, Mikhail S. Gorbachev, during a speech in West Berlin last week.

Meanwhile, protesters in West Berlin set fires early Thursday at the wall and hurled rocks at arriving East German border guards and firemen, authorities said. Police said the 30 to 40 young people who gathered at the wall opposite the Brandenburg Gate in East Berlin shouted, "The wall must go" and "Freedom lives."

EC Talks on Farm Subsidies Collapse

LUXEMBOURG (AP) — The money problems of the European Community worsened Thursday with the collapse of talks by community agriculture ministers on the 1987-88 farm price accord that was to take effect April 1.

Frans Andriessen, the European agriculture commissioner, said he would unilaterally impose cost-saving measures. He did not say what these would be. But sources said they could include reduced or delayed payments to farmers.

Officials said a key part of the farm price arrangement Mr. Andriessen has proposed — a tax on oils and fats to tap new income that four EC nations oppose — would have to be settled by the 12 leaders of the community governments at a meeting June 29-30. The community will have a deficit this year of nearly \$6 billion, about \$1 billion more than last year due to higher farm spending and lower revenues.

Embassy Guard to Be Court-Martialed

WASHINGTON (AP) — Staff Sergeant Robert S. Stufflebeam, a former U.S. Marine Corps embassy guard, has been ordered to stand trial on charges of improper fraternization with Soviet women while stationed in Moscow, the Pentagon said Thursday.

The decision to order the court-martial of Sergeant Stufflebeam, 25, was made by the commanding general at the Quantico, Virginia, Marine base, the Pentagon said. No date has been set for the trial.

Sergeant Stufflebeam worked at the Moscow embassy during much of the same period as another guard, Sergeant Clayton J. Lonetree, who has been charged with espionage. He will stand trial on time separate charges, ranging from violating standing orders involving fraternization, to making "false official statements" and lying about his conduct under oath.

Chile Rejects U.S. Extradition Request

SANTIAGO (UPI) — The military government of President Augusto Pinochet has rejected a U.S. request to expel two former intelligence chiefs implicated in the 1976 Washington car bomb killing of Orlando Letelier, a former Chilean ambassador to the United States.

The U.S. ambassador, Harry Barnes, was called to the Foreign Ministry on Wednesday and given a note that cited legal reasons why Chile was refusing a U.S. request to expel retired General Manuel Contreras, the former head of the spy agency, and his chief of operations, Major Pedro Espinoza, so they could be tried in the United States.

Chile's Supreme Court in 1979 rejected a 1978 U.S. request for the extradition of the two men. But on May 27, the U.S. State Department asked the government to use special powers of detention to expel the two men and place them on a U.S.-bound plane.

Anglicans Disparage Freemasonry

LONDON (Reuters) — The Church of England concluded in a report Thursday that there are fundamental reasons why Christians should not become Freemasons.

The 56-page report, drawn up for submission to the church's governing Synod, said that some Christians found Masonic rituals disturbing and even evil. Its conclusions were broadly in line with the teaching of other Christian churches and will likely be seen as a further blow to the secret "craft" of Freemasonry, which has been accused of selfishly fostering the interests of its members.

The all-male Masonic movement, founded as a secret society in Britain in the 17th century, has an estimated worldwide membership of six million. The Roman Catholic Church threatens members who join Masonic lodges with excommunication, while the Methodist Union guidelines two years ago recommending that their members not become Freemasons.

For the Record

Police raided a garage in the Rome suburb of Verderocca on Thursday and seized weapons, false papers and other materials believed linked to the killing of General Licio Giorgieri in March, officials said. The slaying was claimed by the Union of Fighting Communists, a faction of the Red Brigades. (AP)

China and the Soviet Union have agreed to reactivate a joint ship repair facility in Shanghai after a 20-year break. The Xinhua News Agency said Thursday. (UPI)

Turkey should recognize the deaths of hundreds of thousands of Armenians in 1915 as a condition of its entry into the European Community, but should not be held responsible for the killings carried out under the deposed Ottoman state, the European Parliament said Thursday while meeting in Strasbourg, France. (Reuters)

TRAVEL UPDATE

Belgian civil service unions have called a one-day strike for Friday that is expected to affect schools, hospitals and rail and postal services. Union officials said the action to protest government austerity measures could involve up to 800,000 people. (Reuters)

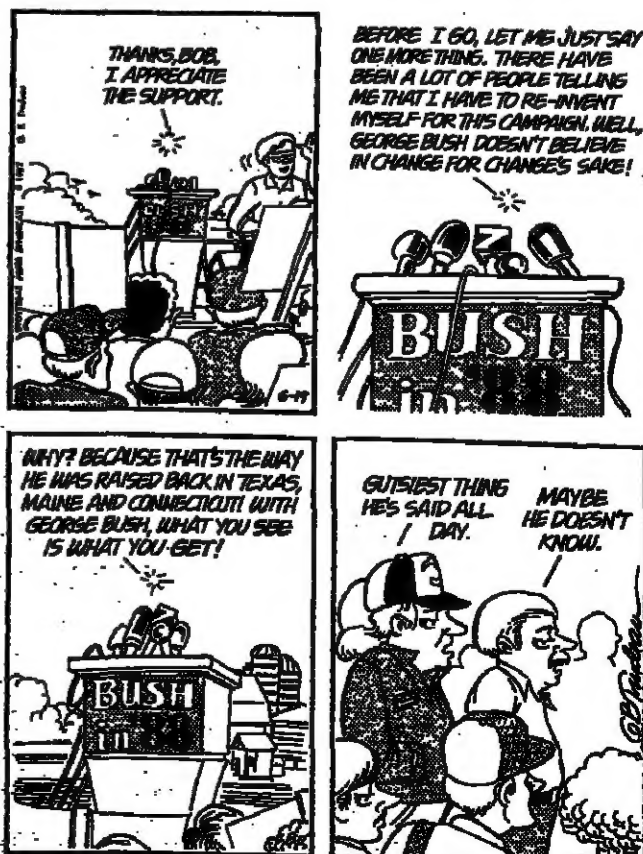
A United Arab Emirates TriStar made an emergency landing at Osaka Airport in Japan after it developed trouble in its port engine, airport authorities said Thursday. Nobody was hurt, they added. It was on its way to Seoul from Narita with 219 passengers and crew. (AFP)

U.S. lawmakers may seek better security at airports, they said Thursday. They were reacting to a congressional report revealing that when federal inspectors tried carrying 2,419 mock guns and other weapons onto planes in late 1986, nearly 30 percent were not detected. (AP)

Correction

An article Thursday erroneously characterized Serge Klarsfeld's appeal to the court trying Klaus Barbie. Mr. Klarsfeld's specific request was for a sentence consistent with the gravity of Barbie's crimes.

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Democrats Agree on '88 Budget

WASHINGTON — After six weeks of frustrating negotiations, a House-Senate committee approved on Thursday a \$1 trillion compromise budget for next year that sets up a collision course with the White House over taxes and Pentagon spending.

The compromise, which was reached Wednesday by House and Senate Democratic leaders, would raise \$19.3 billion in new taxes in fiscal year 1988, which begins on Oct. 1. The types of tax increases are not specified in the plan, but Democratic leaders are considering increases in liquor, cigarette and other excise taxes and increases in estate taxes.

The military part of the budget, in a direct challenge to President Ronald Reagan, would require him to accept all the tax increases in order to get a higher budget for the military. If he accepts the tax increases, the Pentagon budget would be \$296 billion, \$16 billion below the president's request and just \$6.4 billion more than the current military budget. The increase would not be enough to cover rises in costs due to inflation.

If the president does not accept the tax increases, the Pentagon budget would be held to \$289 billion, just below this year's level.

Mr. Reagan denounced the budget proposal Thursday. The Associated Press reported. In a statement released by the White House, he said, "The American people don't want more spending. They want better results."

Mr. Reagan said that if Congress has its way, national security will decline in real terms for the third year. He added, "Their price for meeting our national security needs is this: For every \$1 of defense it will cost \$10 in new taxes. That's an offer I can refuse."

The Democratic leaders, the House speaker, Jim Wright of Texas, and the Senate majority leader, Robert C. Byrd of West Virginia, pushed for the compromise this week, partly in response to this criticism. They also were smarting from a growing perception that the Democrats, who now control the House and the Senate for the first time in Mr. Reagan's presidency, could not govern because they could not agree on a budget.

Goetz Verdict: Urban Jury Altered Perceptions on Use of Deadly Force

By Joseph Berger
New York Times Service

NEW YORK — The jury's decision in the case of Beaudry H. Goetz seemed to be a verdict on the nature of contemporary urban life, churning up issues of vulnerability, rage and racial tensions that lie just beneath the surface.

Tuesday's acquittal of Mr. Goetz on charges of attempted murder and the guilty verdict on a weapons possession charge broke no dramatic new legal ground, in the opinion of legal experts. But in the context of the national debate on the balance between self-defense and social order, it appeared to widen the circumstances that justify the use of deadly force.

The New York state legal standard governing the use of deadly force in self-defense — what a reasonable man might do if he felt similarly threatened — has not changed because Mr. Goetz was

found not guilty of attempted murder. But what the verdict suggests is that juries have a more expansive concept of what is reasonable, a

NEWS ANALYSIS

concept that has grown because of the impact of crime on the lives of city dwellers.

There was almost no evidence presented that any of the four black youths who approached Mr. Goetz, who is white, had actually tried to rob him before he shot them. Thus, the jury, by rejecting the charge of attempted murder, seemed to be saying that in the nervousness that courses through much of urban experience, from riding the subway at night to walking a darkened street, such evidence may not matter all that much. Perceptions, the jury suggested, can attain the power of facts.

"The jury decided that no man is

reasonable when he's surrounded by four thugs," said Alan M. Dershowitz, professor of law at Harvard Law School. "It's hard to pay attention to lines drawn by academics in a classroom."

Mr. Dershowitz, noting that jurors often nullify self-defense standards set by the law, said he believed that what Mr. Goetz did was by definition illegal in New York and every other state. It is illegal, he said, to shoot a person after the immediate danger has passed.

"It doesn't change the law," he said of the verdict. "It may show the law is somewhat out of line with people's passions today."

The jury's decision to acquit Mr. Goetz on all the major charges also seemed to be a back-handed commentary on the effectiveness of the police and the courts.

Burt Neuborne, a professor at New York University Law School, said, "The jurors had so little faith

in the criminal justice system, both to protect us and to bring the guilty to justice, that they were willing to tolerate a degree of vigilante behavior that I think rationally cannot be justified."

For two and a half years the case of Mr. Goetz has touched a raw nerve in the American populace.

Crime has become such a daily feature of urban life that several of the jurors had themselves been victims. It is often on people's minds, determining where they live, how and when they travel and how they spend their time.

The jury seemed to be saying that the fear of crime, in someone who has been a previous mugging victim, as Mr. Goetz had been, can weigh so heavily on one's emotions that it can lead to conduct that might normally be considered wrong. The jury in the Goetz case apparently believed that there was

not enough evidence to show that Mr. Goetz had acted out of any motive other than fear.

Underlying the issue of crime in this case was the issue of race. Scholars such as Dr. Kenneth B. Clark, professor emeritus of psychology at the City University of New York, have expressed doubt that Mr. Goetz would have shot four white youths asking him for money.

However, Marvin E. Wolfgang, a criminologist at the University of Pennsylvania, said that perceptions about who is more likely to commit a crime have some statistical basis. For four violent offenses — homicide, rape, robbery and aggravated assault — the crime rates by blacks are at least 10 times as high as they are by whites, he said.

"The expectation that four young black males are going to do you harm is indeed greater than

four young whites," he said. "I can understand the black position that this is a racist attitude, but it's not unrealistic."

Legal scholars such as Graham Hughes of New York University said it would be "intolerable to adopt a social norm or legal concept that you can reinforce your argument of reasonable fear just because the person happens to be a young black person." The courts, for example, have generally ruled that the police cannot take race into account as a factor leading to an arrest.

Because it raises such issues, the jury verdict may pose some hard questions for the American public to deal with. Will some New Yorkers come to feel that they can now make hair-trigger assumptions about the character of people who somehow threaten them, and if they have a gun, use it in self-

defense? Will blacks have to fear that if they look at someone the wrong way or dress too casually they may be mistaken for criminals?

Since few public leaders will probably want such a potentially explosive atmosphere to prevail for too long, it is possible that the Goetz case may have some ironic repercussions. It would not be surprising if the verdict leads to calls for strengthening police patrols, a further tightening of laws that limit self-defense and a hardening of the rules against illegal possession of a weapon.

Randolph M. Scott McLaughlin, a lawyer who is an authority on racial violence, put the tension created by the verdict this way: "Does the law prevail or will we allow our feelings and emotions and our fears dictate how we decide these cases?"



Rainer E. Gut, chairman of Credit Suisse bank, said in Washington that Swiss courts will decide whether U.S. authorities can gain access to Iran-contra secret accounts.

Secord Said to Be Linked to Arms Dealer

By Fox Butterfield

New York Times Service

WASHINGTON — A retired CIA official is expected to tell Congress next week of a financial link between Major General Richard V. Secord, a main figure in the Iran-contra affair, and Edwin P. Wilson, the renegade CIA agent convicted of smuggling arms to Libya, according to Congressional investigators.

In addition, the investigators said, several Defense Department employees will testify that some senior Pentagon officials, apparently including Defense Secretary Caspar W. Weinberger, knew about the secret arms sales to Iran in 1983 well before President Ronald Reagan approved them in January last year.

Mr. Weinberger has insisted that he did not know anything about the transfer of American-made anti-tank and Hawk anti-aircraft missiles to Tehran until Mr. Reagan secretly authorized them early last year.

The testimony by the Pentagon employees and the former Central Intelligence Agency official, Glenn Robinette, before congressional committees investigating the affair will be heard when they resume hearings Tuesday.

Mr. Robinette will indicate that although Mr. Wilson has been in prison since 1982, a network of former CIA agents and military officers he helped establish to sell

Panel Rebuffs North's Request

The Associated Press

WASHINGTON — The joint congressional committee investigating the Iran-contra affair insisted Thursday that Lieutenant Colonel Oliver L. North testify privately before he appears in public session.

Representative Lee H. Hamilton, Democrat of Indiana and chairman of the House panel, told reporters that permitting Colonel North to avoid the private session, as he demanded Wednesday, would allow him to dictate procedures to the panel. Mr. Hamilton said the matter would be discussed at a meeting Thursday night, and he expects the issue to be decided by early next week.

U.S. arms abroad has continued, the investigators said. In fact, according to investigators, Mr. Wilson's ring formed much of the structure for the private foreign policy, selling weapons to Iran and providing money to the Contras, that was run from the White House by Lieutenant Colonel Oliver L. North.

The congressional investigators said that Mr. Robinette would provide evidence "directly connect-

ing" General Secord, a retired Air Force officer, to Mr. Wilson. The evidence is believed to grow out of Mr. Wilson's role in providing capital for a company called the Egyptian-American Transport and Services Corp.

Mr. Wilson, a former CIA officer who is serving a 52-year prison sentence, has asserted that he provided the money for the company, known as Eatsco, and that General Secord was one of his silent partners.

Eatsco pleaded guilty in 1984 to overcharging the Pentagon \$8 million for delivering arms to Egypt. In his testimony to the committee six weeks ago, General Secord denied he had any connection to Mr. Wilson, and he has repeatedly contended that he was not involved in Eatsco. The company was headed by another former CIA official, Thomas G. Clines, who later acted as one of General Secord's partners in the covert arms sales to Iran and the Nicaraguan rebels.

Mr. Robinette's new evidence linking General Secord to Mr. Wilson would reinforce the pattern that has emerged in the last few weeks of hearings. The pattern suggests that General Secord took part in the Iran-contra affair for financial gain, not the reasons of patriotism that he asserted during his congressional appearance.

Mr. Robinette was a career employee in the technical services division of the CIA, where he worked with Frank E. Terpil, the investigators said. After leaving the CIA, Mr. Terpil became a business associate of Mr. Wilson and was indicted with him for smuggling weapons to Colonel Moammar Gadhafi, the Libyan leader. In a complex web, Mr. Terpil also worked for Albert Hakim, the Iranian-born businessman who served as the financial manager of the Iran-contra arms sales with General Secord.

Mr. Terpil is currently a fugitive from justice, and his whereabouts are not known.

Mr. Robinette has said he paid a contractor \$2,000 to install an electronic security fence around Colonel North's house in suburban Virginia. According to a report in the Washington Post, General Secord gave Mr. Robinette the money for the fence from a secret Swiss bank account established for Colonel North by Mr. Hakim. General Secord has denied the report.

The congressional investigators said that apart from the fence incident, Mr. Robinette would provide more important testimony about General Secord's connection to Mr. Wilson. Mr. Robinette spent Wednesday giving private testimony to committee investigators.

In one of Mr. Wilson's trials in 1983, General Secord acknowledged that he had known him since about 1971, after being introduced to him by Mr. Clines. Peter Maas, in his book "Manhunt," asserts

that Mr. Wilson also helped General Secord financially, buying a house from him in Virginia that had become a bad investment and letting the general use his private plane. It is not known whether the committee has information substantiating this.

General Secord retired prematurely from the air force in 1981 after an investigation by the FBI into Eatsco. Mr. Wilson asserted that he provided \$300,000 that was used to start the company and that General Secord, who at the time was deputy assistant secretary of defense for the Middle East, was one of his silent partners. General Secord was never officially charged in the case, but he felt it clouded his career and left the air force to join Mr. Hakim in business.

Reagan Opposes Talks With Soviet on ABM Treaty

By Michael R. Gordon

New York Times Service

WASHINGTON — President Ronald Reagan has ruled out negotiations with the Soviet Union on how to interpret the 1972 treaty limiting anti-ballistic missile defenses, according to an administration official.

The official, who is familiar with the president's thinking, told reporters that Mr. Reagan believed such negotiations would lead to unacceptable limits on his Strategic Defense Initiative, the program to develop a space-based defense system commonly called "Star Wars."

"He does not want to negotiate on that basis," said the official, who spoke on the condition that he not be identified. "You're taking enormous risks; and for what purpose?"

The treaty bans the testing of space-based and other mobile "components" of an anti-missile system.

When Secretary of State George P. Shultz visited Moscow in April, the Soviet Union proposed that the two sides convene a meeting of their experts to draw up a list of objects that could not be launched into space.

Soviet scientists have also suggested that the two sides discuss what testing would be permitted in space.

Paul H. Nitze, the senior arms adviser to Mr. Shultz, has urged the Reagan administration to begin discussions to develop a common view on technical issues. Those include such questions as what would constitute an anti-ballistic missile component in some new anti-mis-

sile systems and what testing might be allowed.

The Reagan administration official who disclosed Mr. Reagan's viewpoint spoke to reporters at a seminar in Queenstown, Maryland, organized by the Aspen Institute for Humanistic Studies.

Some administration officials at the seminar were divided over the value of technical talks with the Soviet Union.

The United States has offered to adhere to the anti-ballistic missile treaty through 1994 as part of a larger compromise that would also sharply reduce long-range nuclear weapons.

Mr. Nitze has reportedly maintained that unless technical discussions are held, the prospects for a comprehensive agreement on de-

fensive systems and long-range arms are bleak.

Technical talks, for example, would deal with such questions as how bright a space-based laser could be before it should be considered a prohibited anti-missile device.

Mr. Reagan "does not want to negotiate over prohibited and permitted activity" under the anti-ballistic missile treaty, the American official said. "I really don't see how you can get into that never-never land."

The Soviet Union and the United States are sharply divided over how strictly the treaty should be interpreted. The official said that the Soviet Union would seek to use such talks to get the United States to agree to measures that would "kill" the Strategic Defense Initiative.

One official said that unless technical talks were held, there would be little chance of progress on curtailing defensive systems and long-range arms. This official asserted that the Reagan administration's refusal to engage in such talks was counterproductive and encouraged Congressional opposition to Mr. Reagan's space-shield program.

But another official argued against such negotiations. He said that the issues were too complex

U.K., Iranian Diplomatic Staffs Cut To Single Caretakers in 2 Capitals

Reuters

LONDON — Britain ordered the expulsion of 15 Iranian diplomats Thursday and said it was reducing its diplomatic presence in Tehran to a single representative.

"The one remaining will have a caretaking function only," a Foreign Office spokesman said.

The decision leaves only one diplomat in charge of the Iranian Embassy in London.

Minnesota Widens Leave for Parents

New York Times Service

ST. PAUL, Minnesota — Minnesota has become the first state to require employers to offer unpaid parental leave to both parents of a newborn child.

Effective Aug. 1, all Minnesota companies with 21 employees or more must offer up to six weeks of leave without salary to the father and mother after the birth or adoption of a child. Both parents may go on leave at the same time.

Oregon and Connecticut have provisions for limited parental leave and at least 28 other states are working on such legislation. Most of the legislation is modeled after a bill pending in Congress that would require employers to offer male and female employees up to 18 weeks of unpaid paternal leave.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Worthy Plan for Peace

If President Reagan wanted an honorable and sensible resolution of conflicts in Central America, he would grab for the peace plan put forward by Costa Rica's president, Oscar Arias Sánchez. Mr. Reagan's policy of backing the Nicaraguan rebels and driving the Sandinistas out of Nicaragua is at a dead end. The Arias plan, whatever its flaws, has promise and wide support.

Mr. Reagan even felt compelled to issue a statement after his meeting with President Arias stressing their agreement on "objectives." But that is not enough. If the Arias plan is to get off the ground, the postponed Central American leaders' meeting to discuss it must be rescheduled. That means Washington must put its full weight behind the initiative. Otherwise, after Mr. Reagan's years of lip service to negotiations, suspicions will rightly linger about his sincerity.

Mr. Arias proposes cease-fires and regional elections, the restoration of civil liberties and the beginning of talks between governments and their "unarmed internal opposition." Nicaragua would stop aid to the contra rebels. Outwardly, the differences boil down to timing.

Mr. Arias wants Washington to stop aid to the contras at the same time the Sandinistas commit themselves to democratization. President Reagan insists on continuing to arm the rebels until Nicaraguan freedoms have been established. To Mr. Reagan, helping the contras is the best way to insure democratization. To Mr. Arias, the rebels are no solution: they are the problem, giving the Sandinistas cause for foreign sympathy and a pretext for repression.

Behind the jockeying lies Mr. Reagan's deeper reluctance for any kind of compromise that leaves the Sandinistas in power. That reluctance has doomed past peace initiatives from even being explored. There is no evidence even now that he has changed his mind. Yet there are stirrings that encourage the plan's supporters. The administration has been rocked by the Iran-contras affair; future aid for the contras is chancy. Pragmatists have gained in a White House staff led by Howard Baker.

Additionally, the Soviet Union has sharply cut oil shipments to Nicaragua. The difference will probably be made up by Mexico and Venezuela, giving them leverage. Since Nicaragua is nearly broke, it has an incentive for compromise, providing — and this is the catch — that Mr. Reagan is willing to end aid to the contras.

The Sandinistas have long said they are ready to ban foreign bases and accept policing of frontiers. But they adamantly rule out direct dealings with the contras and have long refused to accept an election process that jeopardized their power.

Much as Nicaragua's neighbors fear the Sandinistas, they are at least equally repelled by the contras. Mr. Reagan has so far refused to acknowledge this unpalatable truth, putting all his chips on the contras, an increasingly bad bet. If he wants to rescue his barren Central American policy, he had better begin soon, by breathing life into the only plausible peace plan around. Otherwise, Americans will conclude that his real aim is not to explore peace but to pass an undeclared war on to his successor.

— THE NEW YORK TIMES

Not the Usual Claptrap

There has been quite a flap over Representative William Alexander's enterprise in causing the hefty legislative history of the Boland amendment to be exhumed by the Library of Congress and printed in full in the Congressional Record of this past Monday. The resulting volume, although it is quite portable and handy, contains more than 400 pages of Bolandiana. It was estimated the other day to have cost the government \$197,000 to produce — an assertion that generated much talk of wantonness and profligacy on the part of the Arkansas Democrat, Mr. Alexander, who set the project in motion.

The \$197,000 estimate is said by some to be high and likely to be recalculated downward. But even if the original figure holds, we think it is as wise an expenditure of funds on the Congressional Record as we have heard of in some time. The volume will be an invaluable source book in the angry debate over the genesis and development of U.S. Nicaragua policy, a debate that could surely profit from the introduction of more

facts and better history. It will go to libraries and other institutions all over the country that subscribe to the Congressional Record and be available for purchase in individual copies for \$1.25.

Those of us who look in on the Congressional Record on a daily basis will know that this probably will be among the most serious and public business-oriented editions of the venerable journal they will ever see. The Congressional Record, into which legislators can put just about anything, and frequently do, on some days resembles a literary version of the Islip garbage barge, an anthology of trivia, claptrap, and above all, self-promoting parochial drivel that does the legislator who inserts it some political good somewhere at public expense. If Monday's volume cost the taxpayers too much in the opinion of some of these legislators, they should have no trouble making up the funds by cutting down on the high proportion of junk with which they normally like to fill the Record's pages.

— THE WASHINGTON POST

A Man Wealthy in Ideas

When Walter Heller became President John F. Kennedy's chief economic adviser in 1961, the new Keynesian ideas were percolating widely through Washington. It was a moment when a man of vigorous intellect could turn them into a powerful instrument for expanding and managing the country's prosperity. Mr. Heller seized his opportunity, and the next four years were a time of extraordinarily successful economic policy — the most successful, for Americans, of 20 years later. Those are the years that, 20 years later, the Reagan economists claimed as the model for their own supply-side strategy.

The essence of Keynesian theory is its ability to lift an economy's growth rate and push it toward full employment. After three recessions in eight years under the Eisenhower administration, there was plenty of slack in the economy and it took off, in the early 1960s, in a surge of growth unprecedented in peacetime. The danger, of course, was inflation. Mr. Heller fought it with the wage guidelines that he developed under the second president he served, Lyndon Johnson. That led to bruising battles with the steel and automobile industries, but the president, with Mr. Heller urging him on, won far more than he lost. In the years that Mr. Heller was chairman of the Council of Economic Advisers, from 1961 to late 1964,

the consumer price index never rose as high as 3 percent a year. The trouble started after he left, as the first effects of the Vietnam War began to reach shores.

While Mr. Heller was a vigorous partisan, he was also an honest one who accepted both sides of the Keynesian bargain. He favored tax cuts when the economy was under capacity, and there was a big cut in early 1964. But he also supported tax increases when signs of strain appeared. Even after leaving office he continued to write memos to the president, pressing for tax increases to finance the war. For reasons that had little to do with economics, President Lyndon Johnson delayed until too late, initiating the great wave of inflation that ran for the next two decades.

Mr. Heller was a man of great warmth and great sympathy for liberal Democrats' overriding concern with employment and the condition of working people. That earned him an unusual degree of trust among his party's politicians and even among labor leaders, who resisted and denounced his wage guidelines. Through his long subsequent career at the University of Minnesota he retained a sharp interest in policy and politics, returning to Washington frequently to advise and to testify, until his death, at the age of 71, on Monday.

— THE WASHINGTON POST

Other Comment

Moving Deeper Into the Gulf

In a move that would steeply escalate the U.S. presence [in the Gulf] and commensurately boost its risks, President Reagan proposes launching an open-ended military commitment that could effectively make the United States a co-belligerent in a long and brutal war. The arguments Mr. Reagan makes for intervening in the Gulf are specious and unconvincing, while the commitment he proposes is shrouded with potentially perilous consequences. The fundamental U.S. interest is to be seen not in intervening in the Gulf war but in helping to bring it to an end in a way that would leave no victor free to lord it over its neighbors. That is a task for multinational diplomacy and pressure, not for battleships and bluster.

— The Los Angeles Times

No Point in Impeachment

There is no point in impeaching Mr. Reagan [over the Iran-contras affair]. Impeachment would ignore the important distinction between Mr. Reagan and, say, President Nixon, which is that Mr. Reagan took steps in the form of the Tower commission to clear up the mess. Democrats should also reflect that Mr. Reagan's departure would almost certainly put George Bush in the White House, and leave them fighting an incumbent for re-election.

Moreover, the would-be impeachers forget that Mr. Reagan is still hugely popular in middle America. The sight of an elderly man who in other respects has achieved great feats for his nation being put through such a ritual would demean America.

— The Daily Telegraph (London)

OPINION

Once More, Leaping Blindly Into the Breach

By Arthur Schlesinger Jr.

NEW YORK — President Reagan's pledge to "protect the free world's oil flow" by expanding the U.S. naval presence in the Gulf suggests a powerful itch to plunge the nation into military action. It is also the latest manifestation of fallacious thinking to which all superpowers succumb — the notion that we know the interests of other countries better than they know their own interests.

So far as anyone can tell, none of America's major friends and allies favors the policy the Reagan administration is straining to pursue.

Western Europe and Japan depend far more than the United States does on the oil passing through the Strait of Hormuz. But they have steadfastly refused to back Mr. Reagan's macho adventurism — even though he alleges it to be for their special benefit. It is not even clear that the Arab governments want to raise the military stakes in the area. Yet on the administration goes, sublimely confident that it understands the issues better than the nations most directly involved, most directly threatened and most familiar with the territory.

This has happened before and it always leads to disaster. The most tragic example was Vietnam, where U.S. intervention was intended to rescue East Asia from a Communist takeover. Given this selfless mission, President Lyndon Johnson could never understand why the other members of the Southeast Asia Treaty Organization would not send more fighting men to Vietnam in order to help the Americans save their country. In 1967, he sent Clark Clifford on a mission to persuade the SEATO governments to increase their military contributions.

As Mr. Clifford traveled from one capital to another, he soon recognized that the SEATO governments did not see the war as Washington did. They did not agree with the U.S. assessment of the threat or of the domino consequences of a North Vietnam victory, and they were damned if they were going to send more of their boys to Vietnam to be killed.

If the nations that knew the territory best did not see transcendent stakes in the outcome of a civil war in Vietnam, Mr. Clifford concluded, why in the world was America so heavily involved? Did Americans really know what they were doing? He decided they did not, and the next year, when

he became defense secretary, he did his best to end American involvement. Central America is another example of the superpower fallacy. The U.S. policy of military intervention is designed to save the other countries from the wicked Sandinistas. But most Latin American governments think that the U.S. policy of militarizing the problem increases desperation and chaos and is far more likely to promote than to check the spread of Marxist revolution.

If a Marxist Nicaragua is such a threat, it is a considerably more dire threat to Latin America than to the United States. Latin American countries are far more vulnerable politically and militarily than is the United States, they are closer to the scene and vastly more knowledgeable about it and their leaders are just as determined as the United States is on their behalf to resist their own overthrow. Yet they do not see the threat as apocalyptically as the Reagan administration does, and once again it plunges on, confident of its infallibility.

Lebanon was another example. The massacre of the marines should have shown forever the dangers of meddling in the Middle East — a part of

the world so bedeviled by ancient historic and religious hatreds that it defies not just Western management but Western comprehension.

Americans did not have the slightest idea of the mess they were getting into in Lebanon, and now, raising the standard of invincible ignorance, they seem poised to plunge blithely ahead into a larger mess in the Gulf.

The Reagan administration's recent antics are an example. The Iraqis attacked a U.S. frigate and killed 37 sailors. Iraq in 1984 initiated the policy of attacking ships in the Gulf, thus provoking Iranian reprisals, and in the last two years Iraq has attacked half again as many ships as Iran.

Yet the Reagan administration, instead of getting mad at the perpetrator, rewards Iraq for its assault on the Stark by concentrating all its venom and threats of retaliation on Iran — the very country to which only a short time back the president was selling arms on the grounds of its supreme geopolitical importance.

One can only speculate that this new policy is intended to punish the Iraqis for getting Oliver North (and Mr. Reagan) into all that trouble. The prospect that the Gulf might

become a Soviet lake recurs as a talking point, but obviously an enlarged Soviet presence would only make the Soviet Union more than ever a target for Arab fear and Iranian rage.

"Almost all of America's friends in the Middle East, Europe and South Asia," Jean Kirkpatrick, not heretofore renowned as a dove, has wisely written, "are worried that a major commitment of U.S. forces would be dangerous to American lives. Our allies and friends are much more dependent than we are on Gulf oil, but do not feel an enhanced military presence is necessary or desirable to protect their vital interests."

What on earth do America's leaders think they are doing? What warrant does experience give them for supposing that they know the interests of other countries better than those countries know their own interests? The United States must rid itself of the superpower fallacy before the superpower fallacy costs more American lives, American influence and American credibility.

The writer, a historian, is a professor of humanities at the City University of New York. He contributed this comment to The New York Times.



Emigrating Soviet Jews Must Have a Right to Choose

By Pamela B. Cohen and Micah H. Naftali

NEW YORK — Several American Jewish organizations have endorsed an Israeli plan that would require all Jews leaving the Soviet Union to go to Israel via Romania, thereby automatically conferring Israeli citizenship on them and making it harder for them to come to the United States. The plan denies the emigrants the right to determine their own destination and should be opposed until their choice of final destination and citizenship is guaranteed.

Jews now leaving the Soviet Union fly first to Vienna. Those who want to go to Israel from there can do so. Or they can fly from Vienna to the United States, which is what most do.

Israel wants to close the option of flying first to Vienna, because it desperately needs the skills and manpower that emigrants can offer. What is more, Israelis feel it is the duty of Jewish emigrants to return to Israel, their homeland. That is understandable, but the proposed policy is coercive and would delay, sometimes for years, the reunion of many emigrants with family members who live in the United States. The emphasis should be on freedom of choice.

Under Israeli law, a Soviet refugee acquires Israeli citizenship automatically upon landing in Israel. But once emigrants gain Israeli citizenship, they lose refugee status under U.S. law. To enter the United States from Israel, emigrants must apply within the normal immigration quotas.

Israel needs and wants to attract Soviet Jews. But the right of people to emigrate freely to any country willing to accept them is guaranteed by the Universal Declaration of Human Rights and the Helsinki Final Act. Emigrants hardly deserve further governmental coercion as they step across

the border to freedom. This searingly painful conflict requires full, public discussion.

The Israeli plan has caused disputes that are distracting attention from the chief issue facing Soviet Jews: to pressure Moscow to allow more Jews to emigrate. Why give Moscow more ammunition for propaganda? Surely, Soviet officials will see the irony of the Israeli proposal and use it to embarrass the Israeli government by releasing migrants so committed to going to the West that they will demonstrate at Ben-Gurion Airport.

Secretary of State George Shultz remains firmly committed to freedom of choice, but he is aware of the difficulty of changing the definition of refugees in order to accommodate Soviet Jews without similar accommodation for refugees from other regions. To do so would undermine confidence in the fairness of the American refugee program.

Changing the transit station from Austria to Romania would push the Jewish emigration program out of the spotlight and far from U.S. influence. It would make the program susceptible to pressure from Arab countries that might want to urge Moscow to halt the flow of Jews to Israel.

The Russians anticipate that by accepting direct flights and a limited rise in emigration to 11,000 Jews — only one-fifth the 1979 level — they will receive in exchange trade and arms agreements and, perhaps, a role in a Middle East peace conference. It would be a grave miscalculation for Jewish leaders to offer rewards for such a low emigration level when the Russians have

never had stronger motivations to improve their record of allowing Jews to emigrate.

To warrant U.S. support for direct flights, further diplomatic initiatives by Israel and the United States are necessary. We strongly urge both nations to consider these points:

First, Israel should conclude an agreement with the Soviet Union for the voluntary repatriation of all Soviet Jews without regard to family ties. Such an agreement would send a needed and unambiguous message of welcome from Israel.

Second, Washington should initiate negotiations with Moscow to confirm the principle of free emigration based on invitations from the United States as well as Israel. It is time to recognize that many Soviet Jews, especially the thousands whose families live in the United States, see America as their preferred destination.

Third, it must be made clear that the direct flight issue plays no part in American insistence on high levels of Jewish emigration from the Soviet Union and on human rights improvements by the Soviet government.

These are painful considerations for American Jews and for Israel. But the long-term strength of Soviet Jewry emigration efforts, and the viability of U.S. human rights policies, depend on the Russians' continued appreciation that American Jews and their leaders reflect the essential values of the United States and its government.

Pamela B. Cohen is president, and Micah H. Naftali is Washington representative, of the Union of Concerned Jewish Leaders, an advocacy organization. They contributed this comment to The New York Times.

Caribbean: The Stakes Go Far Beyond the Contras

By John Ausland

SLO — President Reagan has postponed his proposal for more money to the Nicaraguan rebels until the Iran-contras case is over. If, and when he revives it, we can expect an emotional debate. What we are unlikely to hear is a rational debate on the strategic role of the Caribbean.

The Pentagon is preoccupied with the role the Caribbean would play in any U.S.-Soviet conflict. The Soviets share this concern, but their primary interest is in using their footholds in Cuba and Nicaragua to undermine the position of the United States.

In discussing the Caribbean with West Europeans, U.S. officials stress the role that it would play in the reinforcement of Europe. They note that about half of American reinforcements and supplies would come out of ports in the Gulf of Mexico.

This is no doubt true. But it is questionable whether any conflict in Europe would last long enough for reinforcements to arrive by sea.

More strategically important would be the resources the Pentagon would

have to divert to the Caribbean from the battle for the Atlantic.

In an article in Jane's Defense Weekly in 1984, Admiral Wesley McDonald recalled the large losses to Allied shipping in the Caribbean during World War II. He noted that a handful of German submarines operating from bases in Europe sank hundreds of ships in the Caribbean.

The admiral, then commander of U.S. naval forces in the Atlantic, said that dealing with a hostile Cuba would be one of his major concerns during an all-out war and would tie down important U.S. military resources.

Such considerations help explain the Russians' interest in expanding their influence in what they call America's "strategic rear."

A number of U.S. commands are responsible for the Caribbean. The Atlantic Command, headquartered in Norfolk, Virginia, controls the naval forces that operate in the Caribbean. The Southern Command, headquar-

tered in Panama, is responsible for South America and Central America except for Mexico. In a conflict, it would look to the Readiness Command in Florida for most of its forces.

The Soviet naval and naval-air units that would go to the Caribbean in a conflict operate out of bases on the Kola Peninsula, east of northern Norway. In recent years, both the Soviet Union and the United States have built up their Caribbean-linked bases.

The United States has long had bases in and near the Caribbean. In addition to those in the continental United States, the most important traditionally have been in Puerto Rico and Panama. The United States also has a large base on the eastern tip of Cuba, at Guantanamo. With the buildup of the navy, the Atlantic Fleet's use of Guantanamo for training and maintenance has been rising.

The most important change in the U.S. base structure has been in Honduras. In the past five years, the Pentagon has improved or built several airfields there, notably at Palmerola, northwest of Tegucigalpa. Palmerola is the headquarters for Joint Task Force Bravo, which coordinates U.S. military activities in Honduras. It reports to the Southern Command.

U.S. activities in Honduras serve a number of purposes. Electronic installations and reconnaissance aircraft keep track of what is happening in Nicaragua and other neighboring countries. The Pentagon is also building up Honduran forces.

The question is whether the Pentagon is positioning itself to take military action against Nicaragua. Although they do not mind intimidating the Sandinistas, U.S. officers show little enthusiasm for any invasion of that country. If, however, the Soviets were to ignore U.S. warnings and deploy jet fighters to Nicaragua, no one should be surprised if American aircraft used

Honduran bases to destroy them. Since the Soviets would not be able to reinforce either Cuba or Nicaragua in event of general war, they have concentrated, at great expense, on building up those countries' forces.

One of the benefits they have received in return are bases for electronic installations. The Pentagon maintains that one near Havana is the largest outside the Soviet Union. If these were to operate during a general war, the United States would have little choice but to destroy them.

Thus there is a great deal more at stake in the Caribbean than whether the contras, given the complicated struggle that is going on there, it is all the more regrettable that the White House has distracted everyone with its Iran-contras adventure.

International Herald Tribune.

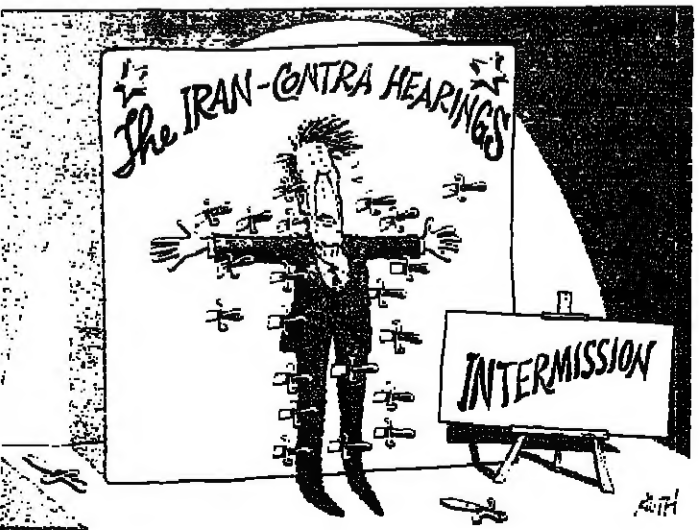
IN OUR PAGES, 75 AND 50 YEARS AGO

1912: A Parade of Harts

CHICAGO — Watching the throngs of delegates and political boosters file into the Coliseum [for the Republican National Convention], one viewed the most wonderful variety assortment of hats. Negro delegates from the far South peeped under tall silk files, ruffled and woolly from the scramble to market their votes. Many of these hats resembled angry cats. Tall Texans entered with yells and hurrahs, waving smorgasbord, Arizona cow-punchers affected Rough Rider headgear decorated with rattlesnake bands, while lank Missourians struggled in under odd-shaped Panama or broad and dusty bachelors hats, such as Jesse James wore in many a train raid. Governor Stubbs of Kansas [had] a small hat the size of a fried goose egg, and remarked: "I take no chances on being left bare-headed when the trouble starts."

1937: Trouble in Heaven

NEW YORK — The trouble began when Humility Consolation showed up at one of Father Divine's Harlem heavens. Humility Consolation was lined up with Faithful Mary in the controversy that has recently shaken the Negro cult leader's far-flung heavens. It was Faithful Mary who said, "Father Divine ain't no god. He's just a damn man." These words have been regarded as heresy. When Humility Consolation echoed Faithful Mary's sentiments, she was put in the same category of heretics. And when she walked into heaven this afternoon [June 18], it is alleged that several of the faithful associated her. Humility Consolation went to the police and the police went to heaven. When they asked admittance, the police in combat for two hours. Four angels required hospitalization.



OPINION

The Reading From Venice:
Reagan Is Losing His Grip

By Anthony Lewis

BOSTON — In private meetings at the Venice summit meeting President Reagan spoke from note cards prepared for him. He was the only one of the Western leaders unable or unwilling to exchange ideas — to talk about the issues — without a script. When the others tried to start a discussion about Mikhail Gor-

baev, Mr. Reagan read them lines from one of his recent speeches.

ABROAD AT HOME

Then there was his meandering press conference. Mr. Reagan volunteered that the value of the dollar could fall some more: a misstatement of U.S. policy that caused a brief fall. His spokesman rushed out a "clarification" that "what the president wants is stability for the dollar, in other words, no change."

Miscellaneous 3-by-5 cards are not new for Mr. Reagan. But there is a sense that something more has happened. The other participants in Venice reportedly found him dimmed, showing his age. At previous summit meetings he was short on substance, but he had his political zest. Now that seems to be fading.

Ronald Reagan is losing the air of authority. Without it the American presidency does not function. And there is evidence at every hand that this presidency is ceasing to function.

Mr. Reagan and his delegation went to the summit meeting with bold noises about taking joint action in the Gulf, ending farm subsidies, beating back protectionism. But in the meetings they said hardly a thing. Their ideas died not with a bang but a whimper.

No president with any political savvy

goes to a summit meeting proclaiming objectives that he cannot reach — that he is ill prepared to discuss and hardly presses on the conference. Political judgment has been Mr. Reagan's forte, but it was nowhere to be seen in Venice.

The Reagan policy in the Gulf is another current example of vacuous, indecisive leadership. Here is one of the most sensitive areas on earth, full of religious and political mine fields. And an American government jumps into it with no sign of thought, coherence or goal.

One day Howard Baker, Mr. Reagan's chief of staff, hails as "historic" the "joint efforts" of the Soviet Union and the United States to preserve the flow of oil through the Gulf. The next day he condemns Soviet actions in the Gulf as "distinctly unhelpful."

Without consulting anyone the president decides to put 11 Kuwaiti tankers under the U.S. flag and give them navy protection. Even conservatives wonder about such military involvement, especially when the administration offers no clear explanation of the objective.

To guard Gulf shipping, the administration then says, it must have air bases nearby. That is a not-very-subtle effort to overcome Saudi Arabia's long resistance to U.S. bases. But just then Mr. Reagan offends the Saudis by a blundering effort to sell them missiles; predictable opposition in Congress forces him to withdraw the proposal.

Why is the process of government decision-making visibly collapsing? Why is Mr. Reagan losing his political grip?

In part, the past may be catching up with him. A grin and a wave can entrance most of the people for a long time. But eventually they may notice that the sworn enemy of deficits has run up the biggest deficits in history, that the scourge of terrorism has made deals with them.

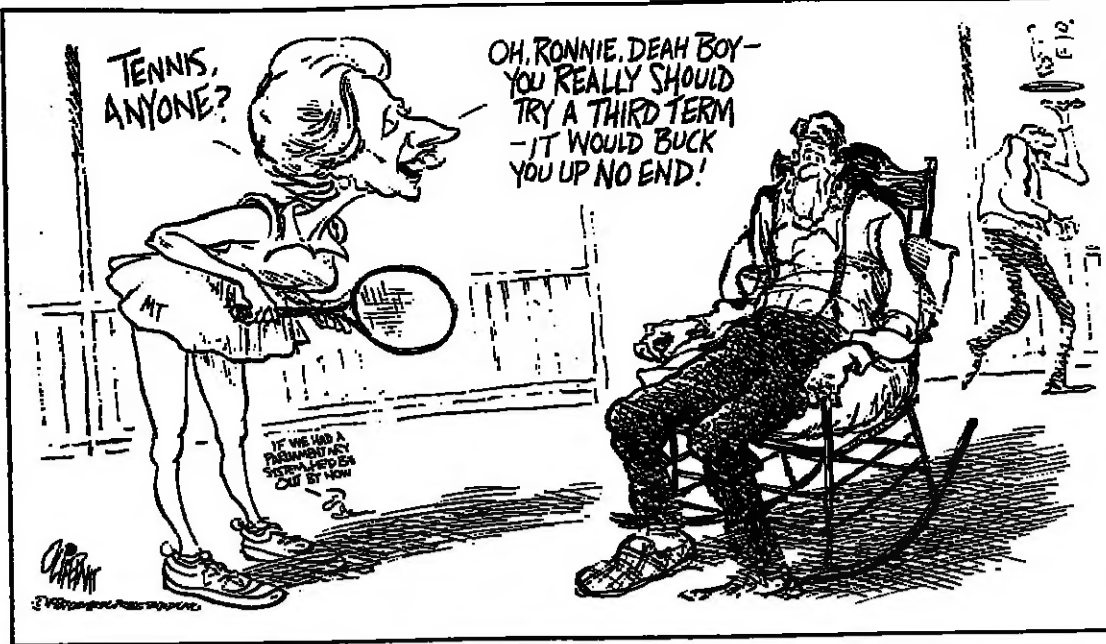
But the particular reason is the corrosive effect of the Iran-contra affair. Mr. Reagan and his people continue to deny wrongdoing. But they know what the hearings have shown: a government that privatized U.S. policy, in contempt of Congress and the law. That knowledge is eating away at their own confidence.

In June 1974, two months before he resigned, Richard Nixon made a Middle East trip. He posed with the leaders of Egypt and Saudi Arabia and Israel as if it mattered — as if Watergate could be escaped. Ronald Reagan is not that far gone politically by any means. But his efforts to look presidential, as in Venice, have something of that surreal quality.

He can still read empty phrases from a TelePrompeter with feeling. But there come to mind the sham villages thrown up by Prince Potemkin to show Catherine the Great on her tour of Russia. The facades crumble, and behind them: nothing. We have 19 months of a surreal presidency to go. If it lasts.

The New York Times.

Syndicated columnist Ellen Goodman.



LETTERS TO THE EDITOR

Glasnost: A Painful Mirage

We have no objection to upbeat editorials on some of the "achievements" of glasnost, such as the decision to stop jamming Voice of America. Nonetheless, we would point out that for those two dozen Americans married to Soviet citizens who are unable to emigrate from the Soviet Union, glasnost remains a painful mirage.

On Jan. 6, you published a brief item regarding what a Soviet official described as an "intensive review" by the authorities of the emigration petitions of our spouses, Victor Fersman and Svetlana Braun ("Soviet Studies 'Divided Spouses' Cases"). Since then, five months have elapsed, but Victor and Svetlana are still in Moscow, having been turned down once more.

After much misleading fanfare, we are still waiting to be reunited with our loved ones with nothing in sight but continued anguish and disappointment.

ANDREA WINE, London.

KEITH BRAUN, Detroit.

Pretoria's Three Houses

Regarding the report "Indian Legislators Quit Party in South Africa" (May 19) by William Claiborne:

Discussing the tricameral parliamentary system in South Africa, Mr. Claiborne refers to the House of Representatives and says that "like the Indian chamber it is powerless to adopt legislation that extends beyond the interest of its own racial group."

It is this unfortunate type of comment which tends to lead to an oversimplification of the South African situation in parts of the media.

At issue is the distinction between what

reforms are being implemented in South Africa. The tricameral parliamentary system has provided the forum for these changes. The reforms continue.

R.A. du PLOOY, Ambassador of South Africa, Paris.

Dubious Protection

Regarding "U.S. Leaders Caution Reagan on Role in Gulf" (May 29):

So Republican leaders are urging President Reagan to request that the allies pay a fee for U.S. warships to protect their tankers. What chutzpah! The U.S. Navy can't even protect itself.

BRUCE J. PHILLIPS, Feldkirch, Austria.

Presumptions About Levi

Regarding "All of His Wonderful Work Did Not Save Him in the End" (Meanwhile, June 2):

How can Richard Cohen think he knows a writer by his works, much less the reasons for that writer's death? A mark of fine writing is its universality, yet he seems ready to read Primo Levi's writing on the importance of work as the author's salvation philosophy. I find this naive and his conclusion about Mr. Levi's death — "He had not survived Auschwitz after all" — offensive.

KRISTEN KANN, Paris.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

In Politics' Cynical Realm,
Sophistry Seems on the Rise

By John C. Culver

CAMBRIDGE, Massachusetts — Several months ago, I was given a ride in Washington by a young man who had served for several years as an aide to a senator. He told me he planned someday to return to Iowa to run for Congress. I asked why he didn't go home and get established. He said he felt it was essential to stay in Washington at least three

MEANWHILE

more years to learn more about the news media, fund-raising and polling.

I asked why he wanted to go into politics. What was it about conditions in Iowa or the country that he would like to see changed for the better? The young man said he understood what I was getting at. "But, senator," he said, "that just isn't the way you get elected any more!"

This experience started me thinking. The traditional theory of education in classical Athens recognized that certain technical skills were essential for leadership. Without training in logic and rhetoric, for example, one could never climb the ladder of achievement in the city-state. But those were not enough. A commitment to pursue truth, a sense of public service, sound judgment about ends and means, and moral qualities were essential.

This tradition was challenged by thinkers whom we know as the Sophists. They maintained that technical skills were an end in and of themselves, that one's talent for arguing a point was more important than the judgment used in deciding which position to defend. They were cleverer than wise. They pursued success instead of excellence and honored intelligence above character.

Much of what passes for political education in U.S. schools of government today appears to be disturbingly analogous to the approach of Sophists. Obsessed with the mechanics of campaigns and elections, focused on attaining more efficient government without adequate consideration of moral and social values, Americans overlook the most critical requirements of governance. The schools are training technicians, when they should be preparing leaders and stressing the priority of values.

The duty of the elected representative is not only to represent and reflect popular opinion but to lead and educate in the public interest. Such an approach represents far greater respect for the electorate, as well as faith in democracy, than to think that one's responsibility merely to mirror the popular will of the moment.

This does not mean that self-righteousness constitutes a useful contribution to the body politic. Abraham Lincoln reminded Americans that "there are few things wholly evil or wholly good. Almost everything, especially government policy, is a compound of the two. Almost everything, especially of government policy, is an inseparable

compound of the two, so that our best judgment of the preponderance between them is continually demanded."

My moment of truth occurred early in my congressional career when a bill was proposed to make it a crime, with heavy penalties — including a prison term — to burn an American flag.

This was in response to the demonstrations against the Vietnam War. I was deeply offended by the flag-burning, which I watched on the evening television news. I had just returned from the funeral in Iowa of a farm boy who had been killed in Vietnam. He was buried with a flag on his casket. As a marine officer, I had served with men who were in combat at the time of this debate. The mood against such protests in my congressional district was intensely hostile.

But I was convinced that the burning of the flag was protected expression under the Constitution. I voted "no" with only 12 other representatives out of 435.

That decision made the other, so-called tough votes during my 16 years in Congress relatively easy. It taught me a valuable lesson: Such a practice is not only good for the soul, but most likely will ultimately be accepted and respected by the electorate as well as one's colleagues.

Compromise is essential to the political process. But it should take place regarding issues, not ideals, and should be among competing interests, not with one's integrity. Idealists who hold to a principled stance can often help to ensure that the ultimate accommodation of values and interests has been better resolved. Moreover, compromises themselves may involve courageous acts by office holders when their own constituents hold a rigid position on an issue.

There is a mixture of strength and weakness, of self-seeking and high moral purpose, in every politician and in every constituency. Each speaks to each. If a politician caters only to the baser nature of the electorate, to their ignorance and prejudice, that is what he will cultivate.

The reverse is also the case. Politicians who speak to the best in their constituents will draw it out. A public that asks for and rewards high service will attract and keep it. This is a simple equation that I offer, but a vital one.

In my final campaign, in 1980, I took strength from Rosa Parks, whose refusal to give up her seat to a white man led to the boycott of Birmingham, Alabama, bus system 30 years ago. She had to walk some distance to and from work each day. She was asked how she found the strength and she replied, "My feet are tired, but my soul is at rest."

The writer, a Washington attorney, is a former senator from Iowa. This article, which first appeared in *The Washington Post*, is adapted from a speech he delivered last month at Harvard University's Kennedy School of Government.

A Centennial Message from the International Herald Tribune.

NOTES ON A CENTURY
Closing Down the Paris Herald
As the "Phony War" Turns Real

The author worked for the Paris Herald from 1938 until the paper suspended publication in June 1940. He then worked for several years — with leave for military service — on the parent paper in New York before going into public relations. He lives in Manhattan and continues writing.

become a broadcaster. Vincent (Booj) Bugeja, an amiable bear of a man who wrote the paper's optimistic editorials about peace, departed for a place in the south which he considered less risky. Eight months later, convinced that all was quiet, Booj came back just in time for the German

well as Bob Sage, Ed Haf-fel, Max Imhoff, Hal Everts Jr. and myself. (In his autobiography Hawkins named a few others, but I do not recall that they were there that night.) The next day, another edition was run off almost singlehandedly, mostly for the record. Dated June 12, it was not distributed because the trucks had been commandeered by the army.

NYHT correspondents



The final edition of the Herald as German forces neared Paris.

By Kenneth Koyen

What was the essential Paris Herald? There are as many descriptions as there are people who have worked on the paper and written about it. To me it was a seat in the theater and a place on the stage.

Certainly, I was there at a time of high drama. I came in 1938, to see Europe. In Paris in May I looked up Arnold Seavard, whom I knew from campus newspaper days at the University of Minnesota. (Arnold was to become better known as Eric.) He told me that there was an opening at the Paris Herald, where he was day city editor. A chat with Eric Hawkins, the managing editor, and I had the job.

The tempo and the staff of the paper changed little when the war began in 1939, although the Herald was reduced to four pages. Seavard had already left to

onslaught. I have always considered Booj a sterling example of the presence of editorial writers.

New faces mingled with old as correspondents came and went. Among Trib staffers who showed up were Al Laney, Ralph Barnes and Frank Kelley. Beach Conger showed up from Germany, Elliot Paul looked in from Spain. Mrs. Noel Monks, a reporter for the Beaverbrook newspapers, arrived from London. (Better known then as Mary Welsh, she later became still better known as Mrs. Ernest Hemingway.)

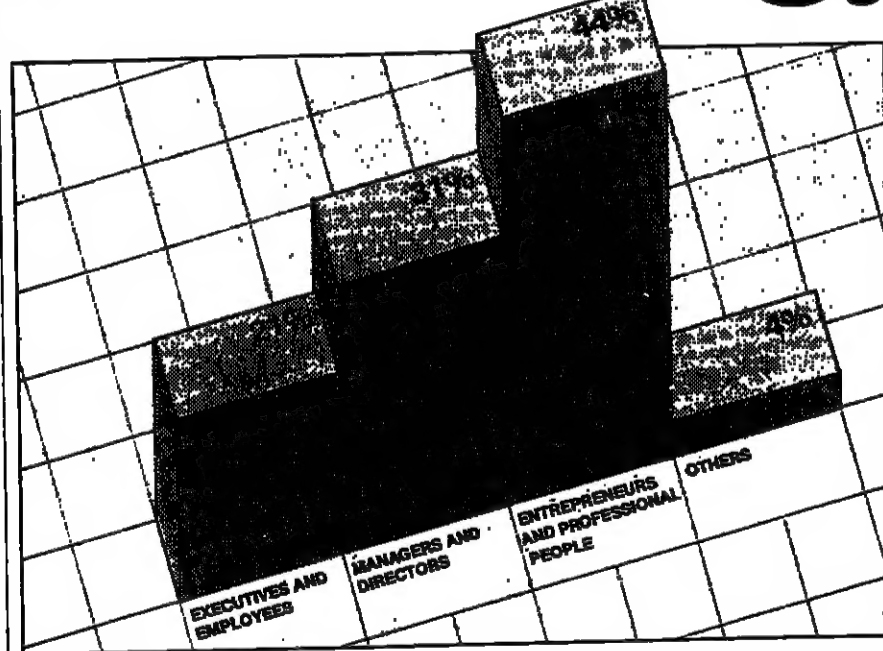
Over the winter, the *drôle de guerre* droned on. It ended with the German invasion of the Low Countries on May 10, 1940. News stories, outside offi-

tions to Hawkins. Now down to one sheet, the paper looked like a checkerboard; entire columns were blank. Ailing Laurence Hills, the director, told us that the paper would try to continue publication.

But on June 8, Hawkins told us that Ogden Mills Reid, president and editor of the New York Herald Tribune, had cabled to say that the Paris Herald would not publish under German control. That appeared imminent. Not much more than the masthead and a cluster of ads appeared on the reverse of the single sheet.

About a half-dozen of us put out the last staff-produced edition of the paper, dated June 11. Hawkins was there that night, as

This is the nineteenth in a series of messages about the IHT which will appear throughout the Centennial year.

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Jewish organizations protesting Thursday outside the papal nuncio's home in Jerusalem.

U.S. Aviator Flies Legally Into Moscow

United Press International

MOSCOW — Millard Harmon, an American pilot, landed his single-engine aircraft here Thursday, after a flight from Virginia to mark the 50th anniversary of the world's first nonstop transpolar flight between the Soviet Union and the United States.

A U.S. Embassy official said the aircraft landed shortly before 2 P.M. at Moscow's Sheremetyevo airport.

But unlike Matthias Rust, the West German teen-ager who made an unauthorized landing with his light aircraft near Red Square last month, Mr. Harmon, a 61-year-old retired educator, had official Soviet permission.

Mr. Harmon's flight, commemorating one by Valeri Chkalov, George Baidakov and Alexander Belyakov of the Soviet Union in 1937, went unmentioned in the Soviet press. Instead, it reported the issuing by the Soviet post office of a stamp marking the flight.

Mr. Harmon had hoped to set a record in his Beechcraft 36, named Ten Romeo, by completing the trip in 30 hours with only three short fuel stops. Strong winds over Greenland, however, forced the plane to make an unscheduled stop Wednesday.

In addition to a stop in Finland, the small plane touched down in Goose Bay, Newfoundland; Narsarsuaq, Greenland, and Reykjavik, Iceland, said Milton Brown, a spokesman for the National Aeronautics Association.

The three Soviet aviators flew from Moscow to Vancouver, Washington.

Swiss Reporters Refuse To Name AIDS Carrier

Reuters

ZURICH — Three journalists were charged Thursday with obstructing justice for refusing to identify a prostitute who continued to work even though she knew she was a carrier of the AIDS virus.

Zurich officials said they tried to investigate the woman after she told television interviewers in February that she continued to have sex with clients. The journalists had defied a court order to name the woman, who is a drug addict, and the investigation had to be closed.

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Israel, Jewish Groups Assail Pope's Decision To Meet With Waldheim

Continued from Page 1

JERUSALEM — Israel strongly condemned Thursday the decision by Pope John Paul II to grant an audience next week to President Kurt Waldheim of Austria, who is accused by Jewish organizations of involvement in Nazi war crimes.

A Foreign Ministry spokesman, Ehud Gol, said: "The Vatican decision to invite Waldheim surprised the Jewish world and the state of Israel. We wonder what were its motives and we condemn the decision."

Jewish groups in Italy, the United States, Britain and elsewhere protested the pope's decision to meet with Mr. Waldheim.

In Washington, the American Jewish Congress said Thursday it will not participate in a proposed Sept. 11 meeting of Jewish leaders and the pope in Miami because of his decision to meet with Mr. Waldheim.

Henry Seigman, executive director of the Jewish civil rights group, also said that the organization will remove its institutional sponsorship of the event.

The Vatican visit, set for Thursday, will be Mr. Waldheim's first official foreign visit since he was elected a year ago. Many Western nations have made it clear that the former United Nations secretary-general is unwelcome.

In April, the United States effectively barred Mr. Waldheim by putting him on a "watch list" of persons to be refused a visa for reasons including doubts about their wartime activities.

Mr. Waldheim, 68, denies allegations that he was involved in crimes, including the deportation of Jews, by the German Army in the Balkans during the war.

But he has acknowledged having omitted part of his war record in past accounts.

Diplomatic sources close to the Vatican told Agence France-Presse that the pope will not receive "Mr. Kurt Waldheim" as such, but the Austrian president, first citizen of a mainly Roman Catholic country.

A Vatican spokesman, Joaquin Navarro Valls, said that Mr. Waldheim had requested the meeting.

A spokesman for Mr. Waldheim, Gerold Christian, said the invitation was issued by the Vatican. A senior Vatican official, however, said that the pope "never, never invites anyone to an audience."

Vatican officials have emphasized that the pope's choice of meetings does not imply approval or disapproval and that he is prepared to meet with people whose behavior he does not necessarily condone.

John Paul II visited Austria in 1983 and is scheduled to travel there again in September 1988.

Israel has no official relations with the Vatican. Mr. Gol, the Foreign Ministry spokesman, would not say how the Israeli condemnation would be conveyed to the Holy See.

A U.S. Jewish leader, Morris B. Abram, said it was disturbing that the pontiff would meet Mr. Waldheim soon after visiting the former Majdanek concentration camp in Poland.

Vatican sources noted that the pope had strongly condemned Nazi atrocities on his visit to West Germany and Poland.

In the Netherlands, Jewish leaders said they sent a telegram to the pope's nuncio to The Hague, Edward Cassidy, expressing dismay.

Jewish officials in Washington said the pope's decision could jeopardize the September meeting in Miami.

"These developments cast a dark cloud on Jewish-Vatican relations," they added, in a statement issued by the Synagogue Council of America.

The council is the umbrella organization of the major rabbinic and congregational arms of Orthodox, Conservative and Reform Jews, and its statement was understood.

Bonn Arms Called Threat to Accord By Shevardnadze

Reuters

BUDAPEST — The Soviet foreign minister, Eduard A. Shevardnadze, said Thursday that Western insistence on excluding West Germany's short-range Pershing-1A missiles could be a major barrier to agreement on nuclear disarmament in Europe.

Mr. Shevardnadze also said at a news conference here that a failure by the United States to keep control of the missiles' warheads could be a violation of the Nuclear Non-Proliferation Treaty.

"This may represent one of the major obstacles to reaching agreement," he said.

West Germany insists it be allowed to keep the 72 Pershing-1A missiles and Paul H. Nitze, the arms adviser to President Ronald Reagan, ruled out on Wednesday including them in any accord on medium- and shorter-range nuclear arms.

The Pershing-1A missiles, which have a range of 460 miles (740 kilometers), are held by the West German Air Force. Their nuclear warheads are stored nearby by U.S. forces.

"They are trying," Mr. Shevardnadze said, to make the world public believe there can be some nuclear weapons that are owned by no one, verified by no one and for the deployment of which no one is responsible.

to be a consensus position of the Jewish leadership.

The Miami meeting is tentatively set the day after the pope arrives for a 10-day U.S. visit to include nine cities.

U.S. Catholic Conference officials coordinating the visit had no immediate comment on the Waldheim meeting or the Jewish reactions. (Reuters, AFP, NYT, UPI)

U.S. Apology Reported

Interior Minister Karl Blecha of Austria was quoted Thursday as saying that the U.S. attorney general, Edwin Meese 3d, had apologized for allowing a suspected Nazi war criminal to travel from the United States to Austria. The Associated Press reported from Vienna.

The case of Martin Bartsch, a former concentration camp guard, had increased tensions that were already strained by Mr. Meese's decision to bar Mr. Waldheim from the United States.

On Tuesday, Austrian officials delivered two diplomatic notes to the State Department in Washington urging the United States to remove the ban on Mr. Waldheim and to refrain from sending suspected war criminals such as Mr. Bartsch to Austria.

Mr. Blecha and Mr. Meese met Thursday at a UN conference on drug abuse.

Mr. Blecha later told the Austria Press Agency that Mr. Meese "apologized during the meeting for American conduct in the case of Bartsch."

Mr. Bartsch, 60, arrived in Austria earlier this month after being stripped of his U.S. citizenship. The Justice Department has said that camp records show that he shot an inmate at the Mauthausen concentration camp in 1943.

TV: Programmers Seek a Successful Breakfast Recipe

(Continued from Page 1)

Europe, Italians sleep the latest? While most people in Britain and France are up and about by 7 o'clock, Italians often are still asleep well past 7:30, the studies showed. Even at 8:15 A.M., 21 percent of Italy is still in bed.

And when it comes to breakfast, the British have a leisurely early morning meal of 25 to 30 minutes; but in France breakfast is a much more hasty affair — coffee and croissant or a piece of toast — so there's not much time for television.

There are a number of countries in which the success of morning television is highly unlikely, but some have sent delegates to the conference anyway.

The Iranian representative, for example, pointed out that mornings in his country are a private affair — a time for personal prayers. Television would have no place in the morning, he says.

And the stars of breakfast television are there as well: Jane Pauley of NBC's "Today," Roger Zabel of France's "Telematin," Sally Magnusson of BBC's "Breakfasttime,"



A Seoul demonstrator shouts a cease-fire to stone-throwing students as riot police retreat.

SEOUL: Rioting Spreads as Chun Seeks Conciliation

(Continued from Page 1)

staged, blocking traffic, and soon the police attacked.

Later, the action shifted to the area around Seoul's city hall and hotel district. The students' numbers quickly grew, reaching into the tens of thousands and putting the riot police squarely on the defensive.

Police attacked again and again, leaving passers-by squinting on the pavement immobilized by the tear gas. They used their standard non-lethal tactics, stressing the gas and crowd-spooking devices like formation charges and boot stomping.

Many protesters were injured nonetheless. Many of the skirmishes took place in the midst of rush-hour traffic, with grid-locked motorists getting first-hand views. In one place, police had to wait for a traffic light to turn green before they could charge across an intersection to attack students massed on the next block.

About 1,000 students, unable to reach the streets, massed in an underground shopping arcade.

"We have been fighting against military dictatorship since June 10," they chanted. "We will fight to the end."

One of the most dramatic engagements took place in the square in front of the Bank of Korea building. There, protesters closed in on a beleaguered unit of about 80 riot police.

Overpowered, some of the men were beaten badly. Others were thrown into a fountain pool. Protesters ripped away their helmets, gas masks, shields and guns that fire tear gas, piled them on the street with a motorcycle and set them all afire with gasoline.

The policemen were freed and slinked away from the scene. Thousands of protesters, many of them wearing scarves over their faces to ward off tear gas, swirled around the fires to celebrate the "victory." Soon, about 500 riot policemen advanced at a trot into the square, now covered with rocks and broken pavement. They fired one of the biggest volleys of tear gas seen in the crisis.

Students pelted them with stones but withdrew. Within minutes, buses full of evening commuters were picking their way through the stones.

Outside Seoul's main railroad station, another riot unit was surrounded. Some students urged beating them up; others called for nonviolence. The riot police went free eventually. But the crowd attacked a police station there and set fire to huge piles of newspapers, as an apparent protest against controls on the press.

Students climbed onto an elevated expressway that crosses the area and threw stones down at police. Buses got caught in stalled traffic. Their riders choked on gas that police were now firing up at the students on the expressway.

Bystanders taunted the police as they fought the students. In one place, a number of people leaped from windows to cheer on people at street level who were arguing with a knot of police, trying to get them to move on.

"This a police state," shouted one man. "The job of police should be to protect people, not strike out against them."

The disturbances appeared to have mostly ended by 10 P.M.

Brazil, Mongolia Plan Ties

Reuters

MOSCOW — Brazil and Mongolia have agreed to establish diplomatic ties, the official Soviet news agency Tass said Thursday.

ROGERS: NATO Commander Sees Political Motive in Arms Pact Drive

(Continued from Page 1)

damaged public support for the doctrine of deterrence established by NATO. According to this doctrine, Soviet fears of nuclear weapons have kept Moscow from invading Western Europe, despite the Warsaw Pact's numerical superiority in conventional forces.

General Rogers, who is 65, will hand over the alliance command to General John R. Galvin at NATO headquarters in Mons on June 26. As commander of the 326,000 U.S. troops in Europe, the top American military man in Europe is also automatically the supreme allied commander in Europe.

The general has been outspoken in recent months about his opposition to the tentative agreement reached by Mr. Shultz and Mr. Gorbachev in Moscow in April. The agreement calls for the removal from Europe of all U.S. and Soviet nuclear missiles with ranges between 300 and 3,500 miles (between 486 kilometers and 5,688 kilometers).

But the two-hour interview contained his first comments on his concern about the Reagan administration's underlying motivation in seeking the agreement. As he heads into retirement in the Washington area, his sense of disillusionment could play an important role in what is expected to be a serious battle in the Senate over ratification of the treaty being drafted in Geneva.

General Rogers was most animated when discussing American handling of the "zero-zero" proposal that Mr. Reagan put forward in 1981. It called on the Soviet Union to withdraw its triple-warhead SS-20 nuclear missiles targeted on Western Europe in return for the United States abandoning plans to deploy 572 single-warhead Pershing-2 ballistic missiles and ground-launched Tomahawk cruise missiles in five Western European countries.

When Mr. Gorbachev surprised Washington this spring by agreeing to that proposal, Moscow had 441 SS-20s deployed, while the United States had a total of 316 Pershing-2 and Tomahawk missiles in Europe.

In his meeting with Mr. Shultz, Mr. Gorbachev also offered to eliminate about 130 shorter-range SS-22 and SS-23 systems in return for an agreement by NATO not to deploy new missiles with a range of more than 300 miles.

Mr. Shultz told NATO foreign ministers on April 16 that the United States favored this "double zero" proposal but would like their views before making a final decision.

"Somebody ought to stand up out there and say to NATO, 'Time out, dammit!'"

— Bernard W. Rogers, NATO commander

"When the future of Western Europe is at stake," General Rogers said Wednesday, "I don't know why it is so necessary to make decisions in the aftermath of meetings in Moscow, to rush into this, other than the fact that certain administrations are going out of existence by certain time frames. Is it more important to have these things accomplished on certain peoples' watch, or is it more important in the long term to insure what we are doing is right to the future of Western Europe?"

"I happen to believe that the latter is more important," General Rogers continued, "but then I am only a dumb infantryman trying to make a living as a commander in Europe and with only 10 days to go."

All of the risk of accepting the "double zero" proposal "falls on the back of the West Europeans," General Rogers said. "There has been great pressure by the United States on the West Europeans."

He added, "The United States may not be aware of the kind of pressure that is felt by Western Europe" when the appeal for a common NATO position is prefaced by a statement that Washington agrees with Moscow.

The NATO foreign ministers endorsed the "double zero" proposal on Friday and General Rogers said he is now convinced that a treaty will be reached in Geneva. But he said that whether an acceptable verification system can be drafted and Senate confirmation achieved were still open questions.



"the pre-emptive conciliator" under which the Western allies would refuse to eliminate the last medium-range missiles until agreements had been reached on conventional and chemical forces.

General Rogers said that in talks with senior West German officials on Tuesday he found concern "that the U.S. will roll over and fold" to Soviet demands that the medium-range ban include 72 Pershing-1A missiles in West Germany. The missile launchers belong to West Germany while the warheads are under U.S. control. The Pershing-1A has a range of 430 miles.

General Rogers said he is confident that Washington will not back down on its pledge to keep the Pershing-1As out of the agreement. But he insisted that "the alliance has to say 'Enough is enough' and recognize the fact that nuclear weapons are necessary in the foreseeable future."

On other points, General Rogers emphasized his view that NATO must take urgent steps to make up for the loss of the medium-range rockets it is negotiating away by pushing ahead with a new tactical, short-range missile to replace the Lance in Europe. He also favors improving the ability of European-based aircraft that can carry nuclear bombs to penetrate Soviet air defenses.

The general also described a quiet but steady process in which France has improved its military coordination with NATO over the past eight years despite its continuing refusal to be part of the alliance's integrated military command. The general said he now feels confident that, although France continues to insist on making its own decisions if war breaks out, "when the political decision is made, all these other things will fall into place."

General Rogers said he expected Mr. Gorbachev to continue to offer to remove nuclear weapons from Europe by offering to eliminate Soviet tactical aircraft capable of carrying nuclear weapons in exchange for the elimination of such weapons by NATO. Rough estimates put the Soviet total of such planes at 1,700, as against 400 for the West.

"When he does," said General Rogers, "the euphoria over the initial reduction of nuclear weapons will cause lots of people to say, 'Let's get rid. The president has said nuclear weapons are immoral and we should not have them.' We will then be extremely difficult governments in Western Europe say no to that kind of offer."

The general was particularly scathing about what he called the "pre-emptive conciliator" in high U.S. government posts who do not push maximum American positions in negotiations with the Soviet Union because they think "the Russians won't accept this." He cited an idea of his, opposed by

TRAVEL

International Herald Tribune

TRAVELER'S CHOICE

Staying in Old Istanbul

Tourism is once again big business in Turkey, and Istanbul is furiously building high-rise hotels to meet the demand. But visitors who don't want the sameness of modern hotels still have two lovely alternatives. One is the Pera Palas Oteli, built in 1892 to provide luxury accommodations for passengers on the Orient Express. The hotel is an architectural gem of the 19th century, imported from France right down to the details. Its great strength, possibly its great weakness, is that it has changed only marginally over the years. Most of the rooms are in their original state, and some visitors might find this a mixed blessing. For example, the telephones are of 1920s vintage; there is no dial and calls must be placed through the hotel operator. Despite its dowager status, the Pera Palas has very up-to-date rates: \$85 for a single, \$107 for a double, including breakfast. For those seeking 19th-century style with modern comfort, an alternative is the Yesil Ev, formerly the Konak, which is near the Blue Mosque and the Hagia Sophia. Yesil Ev, which means "Green House," is one of the pioneering projects of the Turkish Touring & Automobile Association, which is renovating historic buildings. With just 20 rooms, the hotel is comfortably small, with parquet floors, brass beds, handmade carpets and modern telephones. Prices are reasonable by modern standards, at \$73 for a single, \$97 for a double. Both the Pera Palas and the Yesil Ev report that they are fully booked for June, July, August and September, but trying for a last-minute vacancy is worth the effort. Pera Palas Oteli, Mesrutiyet Caddesi 98-100, Tepebaşı-Istanbul, Turkey; Yesil Ev, Sultanahmet Square, Istanbul, Turkey.

Floating Through Paris

The Seine is not Paris's only waterway. It also has three canals — the Ourcq, the Saint-Denis and the Saint-Martin. Visitors can get a different view of the city in half-day excursions that begin on the Seine, near the new Musée d'Orsay, and go into the Canal Saint-Martin, through several locks, ending at the futuristic Cité des Sciences at La Villette, the former site of Paris's slaughterhouses. The boats go through the center of Paris, near the Louvre and the Ile Saint-Louis, before reaching the narrow canal and gliding underneath the Bastille in a two-kilometer tunnel. The cruises, which cost 90 francs, run every day until Nov. 10. Quitzour, 19 Rue d'Athènes, Paris 9. Reservations: 48-74-75-30.

A Smorgasbord of Jazz

New York's 10-day JVC Jazz Festival, which opens today, is a smorgasbord for musical dining with selections in mainstream, bebop, Latin jazz, avant garde, rhythm and blues, pop jazz, fusion and rock. Highlights will include a premiere work by the Modern Jazz Quartet; a Dizzy Gillespie big band bash continuing the yearlong celebration of the trumpeter's 70th birthday; saxophonist Ornette Coleman playing in two distinct formats; and on June 24, Ella Fitzgerald's first major concert since her hospitalization last August for a heart ailment. There are many other surprises, and some tough choices, as always happens when this jazz feast simultaneously offers up to four courses in different halls. Sam R. will play in one of a series of late afternoon solo piano concerts at Carnegie's Weill Recital Hall. Others will feature Marian McPartland, Joanne Brackeen, Dick Hyman, Dave McKenna, Cedar Walton, Monty Alexander and Roger Kellaway. Jazz greats scheduled for evening concerts include Miles Davis, Sarah Vaughan, Oscar Peterson, Chick Corea, Stan Getz, McCoy Tyner, Joe Williams singing with the Count Basie Orchestra, Ray Charles, and Mel Tormé. The festival grew out of the old Newport Jazz Festival, which began in 1954.

The Hague Catches Up

The Hague wants everybody to know that, while Amsterdam has been named the Cultural Capital of Europe this year, it is not to be overlooked. After the recent re-opening of its Mauritshuis museum, The Hague is hosting the North Sea Jazz Festival July 10 to 12, with 120 groups from Dizzy Gillespie to Sarah Vaughan. On Sept. 9, the new music theater is opening, with a 1,000-seat ballet theater and a 2,000-seat concert hall. A brochure, "The Hague, Cultural Highlights," is available from Board of Tourism offices. Meanwhile, the Board of Tourism has widened the use of its Holland Leisure Card, which offers savings for tourists. Two hotel chains, Golden Tulip and Crest Hotels International, are offering discounts from 10 to 30 percent to holders of the card. The card can be purchased from Board of Tourism offices.

A Rainbow at Eiffel Tower

Regardless of the weather, there will be a 300-meter-long (nearly 1,000 feet) rainbow in Paris this weekend. If the wires hold and the fabric doesn't tear, that is. The creation of the Japanese artist Ay-O, the *arc-en-ciel* is a polyester strip 5 meters wide, printed in 24 shades and weighing about 150 kilograms (330 pounds). It will be unfurled at 11:30 A.M. today and fly from the top of the Eiffel Tower through Sunday but will be tethered to ground west of Gustav Eiffel's famous ferrous folly. The installation is being built by the Charpentiers de Paris, the folks who wrapped the Pont Neuf for Christo in September 1985. The Eiffel banner is the 18th in Ay-O's series of "rainbow happenings" since he colorized a French concert in Carnegie Hall in New York in 1964. Ay-O calls it an homage to the Douanier Rousseau, the 19th-century French naïve painter who frequently incorporated the tower into his paintings. The Eiffel rainbow is part of an anniversary celebration of the 1937 fair that includes fireworks, a water spectacle designed by the American Frank Herscher and a concert by the French singer Charles Trenet, who sang at the original fair. All this during a weekend when the French will be attending a series of open-air "Paris-Villages" balls scattered around town to warm up for the July 14 Bastille Day celebrations.

Be Nice to Foreigners



Now what does this mean? France has declared this the Année de l'Accueil, or Year of the Welcome. Yes, this year the tourism authorities are asking each and every French citizen to be welcoming and friendly to tourists. With posters and stickers, sporting a blue headdress tipped with a green hat and smiling, the government is telling people that "Welcoming is everybody's business" and that "Welcome to France" is as easy as saying "Bonjour." In more practical terms, France will be printing a guide for tourists, called "Bienvenue en France," available in French, English, German and Italian, and a guide to the quality of water at various seaside spots. So what's next year's theme?

Outback Images



Most Australians have never seen the Outback. Above, sunrise at Ayers Rock; at left, an "Outback innocent" enjoys a beer in a bar near Townsville, Queensland; and, right, an Aborigine in Alice Springs.

by Linda Christmas

AUSTRALIA has an image problem. Those who do not know the country persist in seeing it as a vast ranch crawling with sheep and cattle and peopled with sturdy outdoor types given to early morning dips in the billabongs and evening barbecues where they sink the Amber Nectar (Paul Hogan's name for Foster's lager) as the sun retreats for its nightly rest.

Such visions have been fueled by films, culminating in "Crocodile Dundee," which crowned Paul Hogan as the world's favorite Aussie simply because, in the film, he lived up to most people's idea of the average bloke from Down Under, an innocent from the Outback.

The Outback Innocent does exist, but he is about as rare as the garbage collector who inherits a stately home. Nonetheless the stereotype seems to suit both parties. The Old World and the nearly new world of North America are content to think of Australians as men of steel, robust rather than genteel, crude rather than refined. And the Australian hardly winces at being portrayed as the lovable oaf particularly when he is seen shinning up a New York lamp post and conquering the Old World and its moneyed beauties with a wink and a "G'day, mate."

The reality is that most Australians have never seen the Outback, let alone a billabong. The population of 15 million has chosen suburban living and settled the edges of this vast island, some 80 percent living within 30 miles of the sea; a ribbon within a huge island shaped like a ragged square. Australians may talk about the Outback, the much-romanticized, challenging, unconquerable Outback, but they don't want to live there. And for the most part they are not much interested in making a visit, although this situation has improved marginally since Paul Hogan made a series of television commercials urging his countrymen to take a look at their own country instead of hopping on the plane to Bali. Hogan's chiding plus early retirement has seen a trickle of camper-vans trundling around the edge and timidly attempting a few days in the desert.

Australians are a little afraid of the Outback. Their minds are conditioned from school days with tales of tragedy surrounding the early explorers who, while searching for an inland sea, a river system or a route from south to north, met with death from an Aborigine's spear, or scurvy, or lack of water, or who simply vanished. And if they did return, they brought with them blindness and blackened skins. Not the best of images to feed to impressionable minds, especially when accompanied by the thought that the desert and the Outback did not always bring out the best in man.

Anyone hearing the story of William John Wills and Robert O'Hara Burke and their struggles to make the first south-north crossing, or reading Alan Moorehead's account of that journey in "Cooper's Creek," will be struck not so much with visions of courage and nobility as by the competitive spirit with other expeditions and the rows and rivalry within their own team. The Outback thus

becomes a sinister and destructive place, where even the fight for survival does not make men pull together. Such harsh conditions hardly touch today's traveler, yet people still fear they might have a breakdown and not see another vehicle for days.

The foreigner, without this background, has fewer problems. When I arrived in Australia it took me nine months researching a book. I could hardly wait to experience the emptiness and isolation of the Outback. I had to wait though. I had decided to make a systematic journey around Australia in a clockwise direction from Sydney to Sydney, and therefore that city, Canberra and Melbourne, as well as Tasmania, had to be visited first. The wait was made bearable by a stroke of luck on which writers thrive.

During my first weeks in Sydney I watched a considerable amount of television — it is as good a way as any to absorb a new country. Night after night I saw an intriguing commercial for Ampol, the Australian oil company, in which Jack Parnell flew around the Outback in a Cessna selling gasoline. But he also became involved in his customers' lives and problems; indeed he was offering an old-fashioned thing called service. One morning, on impulse, I phoned the company and asked if I might accompany him. They said yes, and thus several months later began some of the most exciting weeks of my long visit.

Jack Parnell arranged to meet me in his plane just south of Alice Springs, and arranged for me to be driven up the Stuart Highway from Adelaide to our rendezvous in a road train, a huge articulated truck, delivering gasoline to several road houses, stopping overnight at Coober Pedy, famous for its opal mines and for the fact that before the advent of air conditioning the heat drove men to live underground, and Maria Bore, famous for nothing at the moment but with ambitions to become a thriving Outback township.

On the way I met characters, not Hogan look-alikes, nor innocent, but certainly untamed. There was Chris at the Willoughby roadhouse, a wild young man keen to show me the buller holes in his ceiling and recall the night he drank rum with a friend until he felt the urge to shoot at the ceiling where he had placed a sticker bearing the picture of a small plane.

The journey took several days and at first like the driver, was bemused by my wish to travel in the cab of a road train starting at "mobs of nothing." It was a stony, colorless, restless landscape with a few saltbushes, stunted and twisted. I loved every mile of it. The land looked old, weary and dejected. I found it awe-inspiring, particularly in the early morning before the sun has the power to offend with its heat, and in the evening when white with exhaustion it sinks, ringing the land with a band of brilliant red.

At Maria Bore I met Jack, and for the next week we flew thousands of miles around the central desert arranging business with Aboriginal communities. This was a double bonus: Not only did I see areas beyond the reach of most travelers, but I could also glimpse Aboriginal life. This is not easy.

Continued on page 8

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TRAVEL

THE FREQUENT TRAVELER

Aer Lingus: An Airline in Search of a Hub

by Roger Collis

I THINK it was Camus who said that all freedom is a threat to someone. At any rate, it's one of those now you see it, now you don't maxims that politicians and Eurocrats pushing for deregulation of air transport in the European Community, might well take to heart. The EC Commission's drive for more competition and lower fares through the dismantling of airline cartels for price fixing and route sharing is of course a Good Thing. Events are moving fast in Brussels. We now see the prospect of deregulation in Europe, at least by 1992, when the EC is supposed to become one market without frontiers. Hurrah!

The danger is that under the present state of play, the major carriers might become an oligopoly, forcing the medium-size and small airlines to merge or go out of business, which will lead to less choice for the passenger. We have seen what has happened in the United States, where the top 10 carriers control about 94 percent of the market. You can't get a direct flight to where you want to go, you have to suffer the torture of the major hubs. As the Irishman said, "You can't get there from here." What the business traveler wants is freedom to choose a convenient airport as well as airline.

"In Europe, I could see a similar situation developing," says David Kyd, a spokesman for the International Air Transport Association in Geneva. "Who are the British Airways, the Lufthansas and the Air Frances going to stomp on now they have the strength and freedom to do so? They're going to go after the jugglers of the Swissair, the KLMs, let alone the TAPs and the Aer Linguses of this world simply because their natural market base is so enormous and they can funnel traffic into their major hubs with the greater frequencies they can offer. If you're going to have a free-for-all, you've got to allow the smaller airlines to have fifth freedom [whereby traffic is carried between two countries by the airline of a third]. Of course, the major carriers would hate to see Aer Lingus, for example, picking up traffic in Frankfurt and taking it to Rome before going back to Dublin."

Says Cathal Mullan, assistant chief executive, commercial, of Aer Lingus in Dublin, "We have two major problems with deregulation. First is that we ought to have route access within Europe through fifth freedom rights. This is being resisted tooth and nail by the carriers in the center, who because they control the major hubs, have all the rights they want. BA, Air France and Lufthansa. But the peripheral carriers, ourselves, TAP and SAS to some extent, are at a disadvantage. In the same way as anyone who doesn't control a major hub in the U.S."

"The second thing is the attitude of the Commission. We're against pooling and capacity sharing, but what they are saying is that any agreement between airlines is inherently wrong. But for us to serve any off-line point other than the ones we have route access to, we have to have agreements. . . . Cooperative agreements can be pro-competitive, provided you're not creating a monopoly in the market."

Some airlines are hoping to come in from the cold through formal mergers or acquisitions. (SAS expects to agree to a merger with Sabena in the next months, according to Sven Heiding of SAS in Stockholm.) Alitalia and British Caledonian are reported to be looking for partners. "Logical partners for us are airlines like Alitalia and Olympic," says Nicolas Canto, senior vice president, sales, at Iberia in Madrid.

"My private understanding is that the antitrust lawyers in Brussels have reassured companies that they will take a permissive attitude to mergers as otherwise this would fly in the face of all the other things they are doing [at the EC]," Kyd says.

According to Mullan, Aer Lingus has three options. "First is a cooperative arrangement with peripheral carriers such as Olympic, KLM, TAP and Austrian, whereby we'd keep our key routes, such as Dublin-London, Paris, Brussels, Amsterdam, and agree to feed all traffic on our thin routes through two hubs, say Amsterdam and Vienna. Instead of trying to fly everywhere, the other airlines would do the same."

"Second would be a more conventional feed or joint venture arrangement with a

British carrier, such as British Midland or Danair. The concept would be that we'd keep our key routes from Dublin to four or five cities and double up our thin routes with a partner. For instance, Danair out of London has two or three services a week to quite a few European points. If we were to go in behind them, they might be able to build up their frequency to a decent level and at the same time could feed in quite a bit of traffic."

"And third would be to move into the Spanish charter business because that's a huge market. We agreed a deal in principle to buy up to 50 percent of the Spanish charter company, Hispania, with the idea of flying out of Spain to all Europe. The deal has run into problems because of shareholding issues. But we are also looking at scheduled carriers in Europe."

"Of course, we could become just a feeder airline serving the London hub with a damned efficient 20 flights a day but there'd be a very definite economic penalty for Ireland so we don't want to go for that option unless we absolutely have to."

Meanwhile, Aer Lingus is fighting to maintain its dominance on Dublin-London in the face of competition from Ryanair, in the market since May 1986. It will soon be joined by another small airline, Virgin Atlantic. Mullan claims to be holding a share of business traffic with innovative fares and sophisticated "yield management," which enables it to hold seats until boarding time.

But Mullan admits that in the long term the only way to stay competitive is to cut costs. "Competition for us is the large carriers which have tremendous economies of scale and low-cost airlines paying low wages and exploiting a market niche."

There may be lessons to learn from the small fry. Says Mullan, "There's a small airline called Malinair operating eight or nine flights a day between Donegal and Glasgow. I said to my economic planning people, 'Look, I have a great respect for the way you do your sums, but would you ever go and look at those people and see how they're doing it, because the laws of economics say they have to be losing money.'"



Rungstedlund (left), and Karen Blixen in 1957.



House of Blixen, and Streep

by David Leitch

RUNGSTED, Denmark — Before she died in 1962 Baroness Karen Blixen, then better known as the author Isak Dinesen, had made arrangements to be buried in secular ground on her small estate, Rungstedlund, north of Copenhagen.

In the years that followed, a trickle of literary pilgrims made their way to this mildly inaccessible place, even though the Blixen residence, a substantial timbered building, remained closed to the public.

Nowadays the trickle has become a stream. This became apparent when I asked for directions at the local inn, the Rungsted Kro, a few hundred meters north along the coast road, which leads to the Hamlet castle of Elsinore.

The waitress looked up from her trays of open sandwiches and pickled fish. "Ah," she said. "You want to see the Meryl Streep house."

Naturally, it is the film "Out of Africa" that has put Rungsted on the international

map. Everyone in the inn had seen it and held critical views of Streep's Danish accent (not, apparently, at all similar to the baroness's husky and eccentric tones).

They were eager to point the way over the fields and advise that the housekeeper, Mrs. Carlsen, had been known to speak to visitors. But not very often.

Up a narrow road, there is a small parking place, indicated by a fence, and signs announcing that the estate of 40 or so acres is now a bird sanctuary. There are also warnings about not picking flowers or being accompanied by unleashed dogs.

Across some fences and past more signs saying "private," a white-haired woman was at work with great energy at a kitchen garden beside a small orchard. She was not about to be disturbed by any decorous English "excuse me's" across well-kept lawns, and I set out to find the unhappy author's last resting place.

The grave is not posted, so, as if trying to pass some test, you weave between the overgrown woods where once the baroness exercised Pasop, her German shepherd, and searched for four-leaf clovers, which she was supposed to have a supernatural gift for discerning.

On the way you pass a number of benches marked with people's names in what looks like amateurish blue paintwork — "Madame Carlsen's Bench," the first said. Besides each one there is a garbage can and plastic container.

Somewhere I went too far and ended up in a meadow so thick with dandelions they might have been a successful crop. On the far side there seemed to be some joggers.

From there I was misdirected by a man exercising a pair of matched Pomeranians, impeccably leashed, and then redirected by an American couple. "There's not a lot to see," they said, "except for an atmosphere."

And this there is. Under a beech tree you find a large rectangular slab and around that an area of tiles fenced off with garden twine on sticks.

To one side on a hillock there is another stone slab, vertical this time, inscribed with the name of Jonathon Ewald, Denmark's leading lyric poet of the 18th century, and a character in the Dinesen story, "Converse at Night in Copenhagen." Beside it there is yet another blue bench decorated with graffiti of hearts and initials, not, one guessed, of literary significance.

It turns out that Karen Blixen placed the stone there as a tribute to the poet, who had resided briefly at Rungsted. In those days it had been an inn, or Kro, like its modern neighbor with the fine lunch selection.

Her grave is marked "Karen Blixen," without dates or further comment. In death she finally accepted a lack of complication alien to her lifetime mannerisms. For this most pseudonymous of writers, who at different times published under the names Isak Dinesen, Peter Lawless, Oseola, Noddy, Cook, Tania Blixen and Pierre Andrej, always insisted on being called "The Baroness" in conversation as well as correspondence.

She acquired the title by her marriage to the Swedish aristocrat Bror Blixen-Finecke, and the fuss made about it thereafter is one explanation of her uneasy reputation at home — while abroad she was feted from the start.

Her first publication, "Seven Gothic Tales," had a huge Book of the Month suc-

cess when it appeared in the United States and England in 1934. The Danish edition, a year later, was received more equivocally. For example, a local critic, Fredrick Schyberg, called it "a brilliant piece of pastiche by a talented but wildly affected authoress."

This might not seem the most hostile comment ever made, but 13 years later when she met the Danish poet Thorvald Bjørn, he recalled in his book "The Pact" that she was still carrying a copy of the infamous review and using it as an example of her fellow-countrymen's hostility and philistinism.

There is no doubt that her high gothic style and affections were alien to the Danish taste for simplicity, and she found the Kikuyu and Masai easier going than the run of her fellow countrymen. And then there was the matter of her masks and multiple identities. Now that she has become Meryl Streep for most people, the situation is yet more confused.

But the works (quite apart from the film) and Rungstedlund remain. And it is probable that the trust that administers her estate has received a massive increase in revenue since the film's success. Her already celebrated affair with the English aristocrat and hunter Denys Finch Hatton, probably better known as Robert Redford, has acquired worldwide renown.

They may yet decide to open the house, where she lived for the last 30 years of her life, after the return from Africa, and wrote her best work.

She became mistress of Rungstedlund in 1939, on the death of her mother, Ingeborg Dinesen, and though this was the house in which she was born all accounts suggest that she never lost her nostalgia for Africa.

The continent had not been kind to her, far harsher in fact than any Danish critic, for as is well-known it was in Kenya that she contracted syphilis from her husband, watched their coffee farm go bankrupt, and saw her love for Finch Hatton end in disaster, apparently some time before he was killed in a plane crash.

The men in her life were not good to her. Her father, Captain Wilhelm Dinesen, committed suicide in a Copenhagen boarding house when she was 14, after an unsuccessful though varied career. Rungstedlund, however, had been one of his more astute acts. Because of advance knowledge about the location of the coastal railway line (along what is now called the Danish Riviera) he had purchased the property very cheaply in the 1870s.

Karen Blixen lived in the east wing in the summer; in winter she shifted into the west of the house, away from the wind that made "Ewald's Room" unbearable. Her writing room, where she worked on a small Corona typewriter, now looks across to a yacht marina, a symbol of Danish bourgeois prosperity that would probably not have warmed her heart.

But it is still a beautiful place and you can easily see the courtyard where, so the biographers say, she paused every night before going to bed so she could look south toward Africa. Perhaps the Danish Academy, which holds its meetings in the historic house, will think of letting the public in, too.

David Leitch, formerly a correspondent for the London Sunday Times, is the author of "God Stand Up for the Bastards" and "Family Secrets."

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Outback

Continued from page 7

No one is allowed onto a settlement without permission, which is difficult to get. Not surprisingly, Aborigines are fed up with officials from social workers, government officials, anthropologists and the like and they can do without another journalist.

But with Jack I was acceptable. I could learn something of the problems of poor diet, poor health, poor housing, poor education. Poor everything. It would have been dispiriting had I not been aware of the efforts to improve the situation, not least by Jack.

I learned, above all, to appreciate the space and the emptiness that is the essence of the Outback. But one thing remained unsolved. Although I had traveled to distant parts, I had not felt remote or cut off. The mere fact that I had reached a place meant that it was accessible — and, anyway, how can one feel cut off with a plane outside the front door ready to return to the city at a moment's notice? It was several months later that I finally found what I had been seeking. I was on a cattle station in the Northern Territory. There was no plane and the nearest settlement was an hour away by boat. The news crackled over the radio at 6 A.M. and was gone. What did it matter: the rest of the world had lost all significance.

This is the Australia that the traveler should not miss. It is becoming easier to have an adventurous itinerary. It may not be possible to travel the Stuart Highway by road train, but it is perfectly possible by long-distance bus, stopping at the same roadhouses.

It is also possible to take a desert safari. These are usually graded into three levels: easy-going, on good tracks (in four-wheel-drive vehicles); some rugged traveling; and plenty of rugged traveling.

My suggested itinerary for first-timers is to head straight for the Barrier Reef Islands off the coast of Queensland. The islands are a perfect place to recover from a long flight and to adjust to the climate. Qantas flies direct to

Cairns and Townsville. From Townsville several islands are within easy reach by light plane. Hinchinbrook and Orpheus islands span the price range from simple and comfortable to deluxe.

From Cairns there is Lizard Island. It is exclusive and expensive (around \$160 a day), but includes all meals and access to all water sports. I spent the days on Lizard Island to snorkel and scuba dive under the guidance of an instructor who managed to quell my fear of deep water and enable me to see the reef the way it ought to be seen — close enough to touch.

After such a relaxing start I would head for Alice Springs by road, to get a feel for the distances and emptiness. This takes about three days, stopping overnight in motels in Mount Isa, an isolated mining town, and Tennant Creek, where the east-west road meets the north-south route from Darwin.

Alice Springs is thriving, modern and growing, with a wide range of hotels and enough places of interest to fill two or three days. It is worth noting that Ayers Rock is not on Alice's doorstep — it is 200 miles away. You can fly. An overnight stop is necessary in order to see the Rock either at sunrise or sunset, or both.

From Alice there's a choice: for the truly adventurous I would suggest a six-night safari to Perth. Those who feel they have seen enough of the desert can hop on the Ghan Railway at Alice and head for Adelaide, perhaps timing their arrival to coincide with the biennial Festival of the Arts (March 1988). Time permitting, then head for Sydney (again by train), which next year will be the focal point of the celebrations to commemorate the 200th anniversary of European settlement.

Linda Christmas is the author of "The Ribbon and the Ragged Square — An Australian Journey," first published in 1986 by Viking and to be released in paperback by Penguin later this month.

TRAVEL

The Timelessness Of Northern Greece

by Suzanne Lowry

CHALKIDIKI is the strangely-shaped peninsula that reaches out of the northern Greek province of Macedonia into the Aegean like an ancient, upturned hand. So striking is the hand-like topography that the three prongs that form the southern part of Chalkidiki are popularly known as "fingers."

For this straggling outcrop of the kingdom of Alexander the Great, a combination of geography and history over the centuries before and since has insured a remoteness less easily penetrable to the ordinary traveler than elsewhere on the Greek mainland. From earliest times Chalkidiki has suffered invasion, occupation and depredation, with the attendant destruction of settlements, people and communications.

The place has been ruled and misruled in turn by the Romans, Huns, Turks, Venetians, Turks again, and, briefly, the Germans. The Turkish were by far the longest recent overlords, finally evicted in 1912. So, while the region is littered with the assorted remnants of all these cultures ancient and modern, the currently occupied villages and towns date mostly from the 20th century.

As in other parts of the world that have suffered such perennial upheaval, time here has a kind of irrelevance: what changes will change again, maybe tomorrow, maybe not. It is perhaps only now, with the latest invasion by tourists, that the difference between a decade and a millennium is clearly measured, and a sense of haphazard urgency has set in.

It is said that the very first inhabitants of Greece lived in Chalkidiki, in and around the caves of Pteron, 60 kilometers south of Thessaloniki, the capital of northern Greece. Traces of controlled fire dating back 700,000 years have been found and, even more dramatic, the skull of a woman a quarter of a million years old. It was embedded in one of the stalagmites that give the caves their spectacular, golden aspect.

This is a good first calling point (but check opening times locally) for the traveler, giving a sense of the region's great age, before proceeding south to the beaches and more modern pleasures of the "fingers."

The most westerly of the three is called Cassandra, and is the most developed for tourism: on the east is Athos, a world unto itself governed by a declining population of Orthodox monks who permit only male travelers (human and animal) to enter their medieval fastness. Approach is only by sea; there are no roads, a single telephone and very many other restrictions on 20th-century comfort.

In between, the peninsula of Sithonia, named after Sithon the son of Poseidon, is a rocky promontory, its jagged coast inflamed with marvelous sandy beaches and traditional fishing villages. "Development" has been, and continues to seem, pretty stop-start, as if the governing powers, the residents and the developers alike realized that tourism was a mixed blessing. Fifteen years ago, I was told with a mixture of pride and possessiveness by someone who had known



Cybele holding a cymbal (fourth century) from the antique treasures at archaeological museum in Thessaloniki.

the place then as an intrepid cyclist, that there were no surfaced roads into Sithonia. It was a wild place, with bears and snakes and inaccessible villages, the latter surviving off small industries—fishing, olive oil, honey, weaving.

Not a lot has changed, except the addition of an excellent highway—one of the best in all of Greece, it is said—which loops its way around the peninsula, and facilitates the newest and most lucrative of industries, tourism.

There is one massive and unique resort development at Porto Carras, on the west side of Sithonia. That was the dream project of the shipping tycoon John Carras, and has an impressive range of facilities and accommodations, including an open-air cinema and a large marina.

There are three hotels there: two massive concrete edifices that, from a distance, look like giant liners riding at anchor beyond the green turf of a golf course, and the smaller, prettier Village Inn. Some of the best wine in Greece is produced at the Porto Carras winery, which is open to visitors at certain times.

THE rest is piecemeal. Along the main road and a short distance down unmade tracks are small guest houses and apartment buildings of varying comfort, and private summer houses that may or may not be for rent, and that may or may not be finished. There are myriad houses along the highway that have been unfinished for the five years that I have been visiting Sithonia, and that never seem to get past a certain point. No roof, no windows. Did the money run out? We even spotted one edifice that had collapsed in mid-construction, no one apparently bothering to pick up the pieces.

Camping is possible all along the coast; some beaches have prohibitory signs, but this does not seem to deter anyone. Having driven so far, people get bold enough even to drive down one of the narrow bumpy lanes that lead to flat land and water.



Neos Marmaras is a large fishing village that has grown into a major tourist center. Above, the bay with, left and right, inhabitants old and new.



My base camp was at the house of friends at the lovely Kalligra beach, a few kilometers north of the fishing town of Neos Marmaras. A stretch of sand virtually unoccupied during the week and invaded by shrieking, splashing merry-making Thessalonikians during the weekend. They are, as ever in Greece, the friendliest and kindest of people. One frosty Anglo-Saxon asked irritably why the Greeks always seemed to come and park their goods within feet of her umbrella when the rest of the beach was clear. "Ah, you see, they hate to be alone," said a long-term resident.

That beach has only a few summer houses, and one taverna. Pepe's, plus a small block of apartments that Pepe, who once ran a restaurant in Munich, has bought and plans to extend and renovate. Maybe this year, maybe next. Meanwhile the souvlaki grills and the retsina keeps flowing, and after dinner on a good night the dancing starts; if we had not the energy to join in, the rhythmic noise was still well audible at the other end of the beach.

Different dancing happens at the oddily placed and even more oddly named discos in the region. The Alamo, which has a commanding site above the road between the towns of Neos Marmaras and Ni-

kiti, is like a set for an old B Western of the sort Ronald Reagan used to make. But on a Saturday night the open-air ramparts of the place are humming, and the noise of Duran Duran and Madonna booms inconspicuously into the warm, empty Greek night.

NEOS Marmaras is a large fishing village that has grown into a major tourist center, partly because of its proximity to Porto Carras. Every year there are more cocktail bars and ice-cream parlors, and more shops selling T-shirts and cheap dresses, lace, woven and leather goods. But there are still many excellent traditional tavernas, some right by the water, and one even with a table perched on a platform over it. A favorite is Pano, which in spite of being in one of the two main village squares can still offer a partial view of the sea and sky. On a clear evening you can even see the distant cone of Mount Olympus lit red by the sunset.

The benign and bearded patron (Pano himself) is omnipresent, offering you perhaps a complimentary Metaxas after the meal. Neos Marmaras is a good place to eat, shop for supplies and see how the determined shreds of the old life live out beside the new. There

is a taxi service of sorts, a bus station and a tourist information office, to point you toward other delights of the region. All kinds of boat trips are available from both Marmaras and Porto Carras. You can steam to Athos and watch the monks and hikers disembark at Oranopolis. You can take, as we did, a boat that skirts the shore of that forbidden peninsula, and drop anchor under the haze-shrouded Mount Athos while the holy men cover their heads and the holy men come aboard to conduct a service and sell their rather sad and tawdry souvenirs.

If you have a car, you can continue south from the Marmaras area and make a full tour of Sithonia. To Porto Koufo, one of the best natural harbors in Europe, they say—it is certainly one of the most beautiful and unspoiled.

All around is the sweep of the landscape, beginning with a golden brush coat, interspersed with dark green cypresses, contrasting later with the lush areas planted (in some places deliberately by the redoubtable Carras) with a range of trees that would delight any forester. At other points, it is looming and craggy, olive trees and scrub clinging on for dear life as they lean toward the sea.

In the hills behind there are tiny hamlets, many still totally Turkish

in character; there are even some deserted villages, such as Panormia, about five kilometers off the main road above Neos Marmaras. Drive to it at painful speed up a track of jagged stones, and find yourself in what might be an abandoned film set. As the newer, sea-side villages were established by refugees from Asia Minor flooding into the area in the early 1920s, the Panormia villagers decamped to join the settlers of Marmaras. The atmosphere is eerie, but the setting is spectacular.

An inspiring end to any visit to Chalkidiki should be at the archaeological museum in Thessaloniki. Macedonia's greatest glory came in the fifth and fourth centuries B.C. under Philip II and his son Alexander, and some of the former's dazzling treasure is on display. The great tomb at Vergina was excavated only 10 years ago, and the ornaments, utensils and armors found there add up to one of the most valuable collections of Greek antiquities ever uncovered. Indeed, one exquisite oak wreath, with its beaten gold leaves and perfectly formed acorns, is acknowledged to be the most beautiful such ornament ever found. The whole collection, along with other relics of the region's long and checkered history are displayed in a spacious, elegant and cool surroundings.

FOOD

Where to Stop for a Good Outdoor Meal in France

AS one travels around France, one of the greatest challenges is to find a comfortable, inexpensive spot for dining outdoors. At lunch, in particular, most travelers are not looking for anything elaborate—good simple regional fare and local wine will do. Here are some finds of recent months in different regions:

About an hour's drive north of Stras-

PATRICIA WELLS

bourg, in Alsatian farm country, is a marvelously homey and unusual restaurant where just about everything served—from the sparkling fresh cream in the *flamme-kueche* to the wheat used to make the dough—comes from this modest model farm.

The large, cabin-style dining room of La Grange du Paysan in Hisingen is full of wood and beams, decorated with antique farm implements, wagon wheels and a giant stone fireplace. For warmer months, there is a bright, flower-filled veranda that overlooks neighboring farms and the village church.

As far as the food is concerned, you are not likely to find more authentic Alsatian fare. Search no further for a delicious *flamme-kueche*: paper-thin crust, the freshest fromage blanc, thin slices of bacon (neither too salty nor too fatty) and a delicate dose of onions. At La Grange du Paysan, the tart is served on heated platters, so it stays warm as you eat. As a main course, try the fine poularde au riesling, a farm-raised hen cooked in a delicious white wine sauce. Even though the Rieger family cares its own ham, I found that the specialty of ham and wild morel mushrooms tasted bland and commercial. The bread is homemade, the house riesling is remarkable, and on weekends, you can sample a whole roast suckling pig, cooked in the Alsatian wood-fired oven over back. Sausages, ham and cheese can all be purchased to take home.



Bustling cafés, a Lyon tradition.

More French cities should have places like the Grand Café des Négociants in Lyon. Throughout the day, this spacious, bustling 110-year-old spot serves as a traditional café, offering drinks and snacks. At night, a pianist steps up to the shiny black grand piano in the window, and plays as customers settle into the café's fresh and refreshing shellfish platter, which includes oysters, mussels, crab, sea urchins, periwinkles and shrimp. Hope that this is one of the days they have bought their rye bread from Marius Petit, one of the city's better bakers.

Even *cuisine moderne* has its place in Provence, and one of the newer stars on the horizon is Jean-Marc Banzo, who moved from the center of Aix-en-Provence (where

he was chef at the Henri IV) to the edge of town, where he and his wife have installed themselves in a large and lovely home they call Le Clos de la Violette.

There's something a bit tentative about the service and the setting, but the food is lively, creative, and agreeable. If the *horlogerie d'artichaut en terrine* is on the menu that day, sample this sublime terrine of thick, whole artichoke bottoms layered on one another, served with a superb red pepper coulis. Another delicious creation is his *croûte de la brousse en persillade*, a dish that combines fresh local sheep cheese, tons of herbs and flavorful palourdes, or clams. The dish ends up tasting remarkably like pizza, but the elements are organized differently. With the meal, sample the lovely white Cassis, Domaine du Paternel, from

the fishing village near Marseille. Save room for dessert, an incredible mint soufflé, infused with a generous dose of lively, fresh mint.

After wandering through the hilly streets of Azay-le-Rideau in the Loire area, stop for lunch or dinner at the Grand Monarque, a cozy hotel-restaurant that has been in the same family since 1900. Here is small-town French hospitality and an outgoing maître d'hôtel, who will suggest that you discover their worthwhile Azay-le-Rideau white wine. If the weather is good, pick a table on the shaded terrace, enjoying blue skies, blue linens and refreshing though undramatic local fare: a fresh green salad dressed in a walnut-oil vinaigrette, Loire River salmon topped with a delicate

soufflé, a platter of goat cheese and outstanding baguettes.

After visiting the cathedral in Amiens and touring the hortillons, or market gardens set along the canals, stop for lunch at the Restaurant du Pré Pommé, a large, casual, old-fashioned waterside bistro. The food is simple and authentically regional, service is friendly, and if the weather is fine you can lunch on the terrace. Try the *flamme aux poireaux*, a tart of leeks, cream and cheese, or the *ficelle picarde*, a thin crepe wrapped around a slice of ham and topped with a cheesy cream sauce. The *coq à la bière* was delicious, with a pleasant berry taste.

La Grange du Paysan, 8 Rue Principale, 67260 Hisingen; tel: 88.00.91.83. Closed Monday. Credit card: Visa. Menus at 60 and 178 francs; à la carte, 100 francs. (Flamme-kueche, the Alsatian cheese and onion tart, is served Wednesday, Friday and Saturday nights and all day Sunday. Porcelet dans le four, oven-roasted suckling pig, is served at Saturday dinner and Sunday lunch.)

Grand Café des Négociants, 1 Place Francisque-Régnaud, Lyon 2; tel: 78.42.50.05. Open from 7 A.M. to 1 A.M. Closed Sunday. Credit card: Visa.

Le Clos de la Violette, 10 Avenue de la Violette, 13100 Aix-en-Provence; tel: 42.23.30.71. Closed Monday lunch, Sunday, mid-February through the first week in March, and the first two weeks in August. Credit cards: American Express, Visa. Menu at 350 francs; à la carte, about 300 francs.

Grand Monarque, Place République, 37190 Azay-le-Rideau; tel: 47.45.40.08. Closed December through February. Credit cards: American Express, Visa. Menus at 82 to 190 francs; à la carte, 300 francs. Restaurant du Pré Pommé, 95 Rue Violette, 80000 Amiens; tel: 22.46.25.03. Closed Monday dinner, Tuesday, and February. Credit cards: American Express, Diner's Club, Visa. Menus at 75, 95, and 140 francs; à la carte, 130 francs.

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Country	Currency	1 year	6 mos.	3 mos.
Austria	A.Sch.	4,800	2,400	1,600
Belgium	B.F.	11,000	6,000	3,900
Denmark	D.Mk.	2,300	1,400	770
France	F.F.	1,750	950	520
Germany	D.M.	980	520	275
Greece	E.	120	72	45
Ireland	E.M.	150	82	45
Italy	Lire	380,000	210,000	115,000
Japan	Y.	11,500	6,200	3,400
Netherlands	F.	650	360	195
Norway	Nkr.	1,800	990	540
Portugal	Esc.	22,000	12,000	6,000
Spain	Pes.	29,000	16,000	8,600
Sweden	Skr.	1,800	990	540
Switzerland	Sfr.	910	500	280
Rest of Europe, North Africa, former French Africa, Middle East	Fr.	280	150	80
Rest of Africa, Gulf States, India	\$	280	150	80

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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
AT&T	28 1/2	28 1/4	28 1/2	+1/4	
IBM	100 1/4	100 1/8	100 1/4	+1/8	
Merck	40 1/4	40 1/8	40 1/4	+1/8	
Boeing	70 1/4	70 1/8	70 1/4	+1/8	
General Electric	30 1/4	30 1/8	30 1/4	+1/8	
Johnson & Johnson	25 1/4	25 1/8	25 1/4	+1/8	
McDonald's	15 1/4	15 1/8	15 1/4	+1/8	
Wendy's	12 1/4	12 1/8	12 1/4	+1/8	
Wal-Mart	10 1/4	10 1/8	10 1/4	+1/8	

Market Sales					
NYSE	165,500,000				
NYSE adv. com. close	2,100,000				
NYSE adv. com. open	1,400,000				
NYSE adv. com. volume	1,400,000				
NYSE adv. com. value	\$1,400,000				
NYSE adv. com. shares	1,400,000				
NYSE adv. com. price	\$1,400,000				
NYSE adv. com. volume	1,400,000				
NYSE adv. com. value	\$1,400,000				
NYSE adv. com. shares	1,400,000				
NYSE adv. com. price	\$1,400,000				

NYSE Index					
High	Low	Open	Close	Chg.	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	

Thursday's
NYSE
Closing
Via The Associated Press

AMEX Diary					
Class	Prev.				
Advanced	28 1/4				
Declined	28 1/8				
Unchanged	28 1/4				
New High	28 1/2				
New Low	28 1/8				

NASDAQ Index					
High	Low	Open	Close	Chg.	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
AT&T	28 1/2	28 1/4	28 1/2	+1/4	
IBM	100 1/4	100 1/8	100 1/4	+1/8	
Merck	40 1/4	40 1/8	40 1/4	+1/8	
Boeing	70 1/4	70 1/8	70 1/4	+1/8	

Dow Jones Bond Averages					
Class	Prev.				
Advanced	28 1/4				
Declined	28 1/8				
Unchanged	28 1/4				
New High	28 1/2				
New Low	28 1/8				

NYSE Diary					
Class	Prev.				
Advanced	28 1/4				
Declined	28 1/8				
Unchanged	28 1/4				
New High	28 1/2				
New Low	28 1/8				

Odd-Lot Trading in N.Y.					
Buy	Sell	Chg.			
2,407.35	2,407.35	+0.78			
2,407.35	2,407.35	+0.78			
2,407.35	2,407.35	+0.78			
2,407.35	2,407.35	+0.78			
2,407.35	2,407.35	+0.78			

Dow Jones Averages					
Open	High	Low	Last	Chg.	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	

Standard & Poor's Index					
High	Low	Open	Close	Chg.	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	

NASDAQ Diary					
Class	Prev.				
Advanced	28 1/4				
Declined	28 1/8				
Unchanged	28 1/4				
New High	28 1/2				
New Low	28 1/8				

AMEX Stock Index					
High	Low	Open	Close	Chg.	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	
2,407.35	2,407.35	2,407.35	2,407.35	+0.78	

Tables include the notation prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Inches Upward to Record

NEW YORK—Prices moved narrowly higher on the New York Stock Exchange Thursday, setting a record on the Dow Jones industrial average as some buyers emerged in the final hour of the session and erased daylong losses. The Dow average, which ended unchanged at 2,407.35 Wednesday, closed up 0.78 at 2,408.13. The previous record was set Tuesday and matched Wednesday.

Advances led declines narrowly, 766-737. Trading was moderate. Volume was about 168.6 million shares, down from 184.72 million on Wednesday.

Prices were raised to active trading of American Stock Exchange issues.

Analysts said investors were wary of the approach of "triple-witching hour" on Friday, being celebrated under new rules this time around. Triple-witching hour is the quarterly phenomenon in which there are simultaneous expirations of stock index futures, options on the futures and individual stock options.

Under the old rules, all three classes expired at the close of trading on the third Friday of the last month of each quarter, with settlement of contracts based on the closing price.

The new rules provide for trading in some heavily traded contracts, such as Standard & Poor's 500 index futures, to cease at Thursday's close, with settlement on the basis of Friday's opening prices for the underlying stocks. Other index futures will expire as before at the close Friday.

"Today's expirations went very smoothly," said Hildegard Zagorski of Prudential-Bache Securities.

The purpose of the new expiration format is to reduce volatility.

"The bond market and the dollar are down, and that always has an adverse effect on stocks, but I think the majority of the caution we are seeing is a result of investors trading ahead of tomorrow's triple-witching hour," said Charles Jensen, an analyst with MKI Securities.

Gillette, the most actively traded NYSE issue, jumped 3/4 to 40 1/4. It rose as much as 4 points early in the morning after news that Revlon group, led by Ronald O. Perleman, made an offer to acquire the company for \$40.50 a share.

Colgate Palmolive rose 1/4 to 48 1/4. Colgate usually acts in sympathy with a takeover bid in the consumer products group, said Jay Freedman, a Kidder Peabody analyst.

Continued rumors about a restructuring or possible takeover boosted Southland Corp.'s stock in active trading, traders said. It jumped 3 points to 56 1/2. The speculation Thursday was about a possible stock repurchase, which would go along with the restructuring rumors, one trader said.

A day after Marine Midland joined the growing list of banks increasing reserves to cover possible losses on loans to developing countries, the stock got a boost from a positive Bear Stearns recommendation, a spokeswoman for the bank said. It jumped 4 1/2 to 56 1/2. Republic New York, another bank that added to reserves Wednesday, gained 1/4 to 51 1/4. (UPI, Reuters)

12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.	High	Low	Open	Close	Chg.
28 1/2	28 1/4	28 1/8	AT&T	1.00	5.5	15.5	28 1/2	28 1/4	28 1/8	28 1/2	28 1/2	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1/4	40 1/8	40 1/4	Merck	1.00	5.5	15.5	40 1/4	40 1/8	40 1/4	40 1/4	40 1/4	+1/8
70 1/4	70 1/8	70 1/4	Boeing	1.00	5.5	15.5	70 1/4	70 1/8	70 1/4	70 1/4	70 1/4	+1/8
30 1/4	30 1/8	30 1/4	General Electric	1.00	5.5	15.5	30 1/4	30 1/8	30 1/4	30 1/4	30 1/4	+1/8
25 1/4	25 1/8	25 1/4	Johnson & Johnson	1.00	5.5	15.5	25 1/4	25 1/8	25 1/4	25 1/4	25 1/4	+1/8
15 1/4	15 1/8	15 1/4	McDonald's	1.00	5.5	15.5	15 1/4	15 1/8	15 1/4	15 1/4	15 1/4	+1/8
12 1/4	12 1/8	12 1/4	Wendy's	1.00	5.5	15.5	12 1/4	12 1/8	12 1/4	12 1/4	12 1/4	+1/8
10 1/4	10 1/8	10 1/4	Wal-Mart	1.00	5.5	15.5	10 1/4	10 1/8	10 1/4	10 1/4	10 1/4	+1/8

12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.	High	Low	Open	Close	Chg.
28 1/2	28 1/4	28 1/8	AT&T	1.00	5.5	15.5	28 1/2	28 1/4	28 1/8	28 1/2	28 1/2	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1/4	40 1/8	40 1/4	Merck	1.00	5.5	15.5	40 1/4	40 1/8	40 1/4	40 1/4	40 1/4	+1/8
70 1/4	70 1/8	70 1/4	Boeing	1.00	5.5	15.5	70 1/4	70 1/8	70 1/4	70 1/4	70 1/4	+1/8
30 1/4	30 1/8	30 1/4	General Electric	1.00	5.5	15.5	30 1/4	30 1/8	30 1/4	30 1/4	30 1/4	+1/8
25 1/4	25 1/8	25 1/4	Johnson & Johnson	1.00	5.5	15.5	25 1/4	25 1/8	25 1/4	25 1/4	25 1/4	+1/8
15 1/4	15 1/8	15 1/4	McDonald's	1.00	5.5	15.5	15 1/4	15 1/8	15 1/4	15 1/4	15 1/4	+1/8
12 1/4	12 1/8	12 1/4	Wendy's	1.00	5.5	15.5	12 1/4	12 1/8	12 1/4	12 1/4	12 1/4	+1/8
10 1/4	10 1/8	10 1/4	Wal-Mart	1.00	5.5	15.5	10 1/4	10 1/8	10 1/4	10 1/4	10 1/4	+1/8

12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.	High	Low	Open	Close	Chg.
28 1/2	28 1/4	28 1/8	AT&T	1.00	5.5	15.5	28 1/2	28 1/4	28 1/8	28 1/2	28 1/2	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1/4	40 1/8	40 1/4	Merck	1.00	5.5	15.5	40 1/4	40 1/8	40 1/4	40 1/4	40 1/4	+1/8
70 1/4	70 1/8	70 1/4	Boeing	1.00	5.5	15.5	70 1/4	70 1/8	70 1/4	70 1/4	70 1/4	+1/8
30 1/4	30 1/8	30 1/4	General Electric	1.00	5.5	15.5	30 1/4	30 1/8	30 1/4	30 1/4	30 1/4	+1/8
25 1/4	25 1/8	25 1/4	Johnson & Johnson	1.00	5.5	15.5	25 1/4	25 1/8	25 1/4	25 1/4	25 1/4	+1/8
15 1/4	15 1/8	15 1/4	McDonald's	1.00	5.5	15.5	15 1/4	15 1/8	15 1/4	15 1/4	15 1/4	+1/8
12 1/4	12 1/8	12 1/4	Wendy's	1.00	5.5	15.5	12 1/4	12 1/8	12 1/4	12 1/4	12 1/4	+1/8
10 1/4	10 1/8	10 1/4	Wal-Mart	1.00	5.5	15.5	10 1/4	10 1/8	10 1/4	10 1/4	10 1/4	+1/8

12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.	High	Low	Open	Close	Chg.
28 1/2	28 1/4	28 1/8	AT&T	1.00	5.5	15.5	28 1/2	28 1/4	28 1/8	28 1/2	28 1/2	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1/4	40 1/8	40 1/4	Merck	1.00	5.5	15.5	40 1/4	40 1/8	40 1/4	40 1/4	40 1/4	+1/8
70 1/4	70 1/8	70 1/4	Boeing	1.00	5.5	15.5	70 1/4	70 1/8	70 1/4	70 1/4	70 1/4	+1/8
30 1/4	30 1/8	30 1/4	General Electric	1.00	5.5	15.5	30 1/4	30 1/8	30 1/4	30 1/4	30 1/4	+1/8
25 1/4	25 1/8	25 1/4	Johnson & Johnson	1.00	5.5	15.5	25 1/4	25 1/8	25 1/4	25 1/4	25 1/4	+1/8
15 1/4	15 1/8	15 1/4	McDonald's	1.00	5.5	15.5	15 1/4	15 1/8	15 1/4	15 1/4	15 1/4	+1/8
12 1/4	12 1/8	12 1/4	Wendy's	1.00	5.5	15.5	12 1/4	12 1/8	12 1/4	12 1/4	12 1/4	+1/8
10 1/4	10 1/8	10 1/4	Wal-Mart	1.00	5.5	15.5	10 1/4	10 1/8	10 1/4	10 1/4	10 1/4	+1/8

28 1/2	28 1/4	28 1/8	AT&T	1.00	5.5	15.5	28 1/2	28 1/4	28 1/8	28 1/2	28 1/2	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4	100 1/4	100 1/4	+1/8
40 1	40 3/4	40 1/2	IBM	3.00	6.0	16.7	40 1	40 3/4	40 1/2	40 1	40 1	+1/4
100 1/4	100 1/8	100 1/4	IBM	3.00	6.0	16.7	100 1/4	100 1/8	100 1/4			

BUSINESS ROUNDUP

\$100 Million Loss Seen for Salomon

By James Sterngold
New York Times Service

NEW YORK — Salomon Brothers, Wall Street's largest securities firm, had losses of about \$100 million in the violent plunge in bond prices in April, according to analysts and Wall Street officials with knowledge of the firm's activities.

Salomon Brothers thus became the third major securities firm known to have had major losses in the tempestuous two weeks in April when a becalmed bond market suddenly tumbled.

The president of one major securities firm estimated that Wall Street's losses for the month may have approached \$1 billion.

Merrill Lynch & Co. said in late April that it had had an unprecedented \$275 million loss. On Tuesday, First Boston Corp. acknowledged that it had taken a beating, which sources close to the firm put at \$100 million.

John H. Gutfreund, Salomon Brothers' chairman, conceded in late April that the month had been extremely difficult but he did not acknowledge any losses. On Wednesday, Robert S. Salomon Jr., the firm's chief spokesman, said only that profit for the second quarter would be down from a year earlier.

He said that, because of First Boston's announcement, Salomon had decided to confirm that its profits would decline. First Boston had said it would show an overall loss for the second quarter because of losses from trading in Treasury bond options.

Mr. Salomon said, however, that Salomon Brothers would still show an overall profit for the quarter.

Analysts immediately halved their profit estimates for Salomon Inc., Salomon Brothers' parent.

Lawrence Eckenfelder, an analyst with Prudential-Bache Securities, said he had lowered his estimate for Salomon's second-quarter earnings to about 40 cents a share, or \$60 million, from 75 cents, the second quarter of last year. Salomon Brothers earned 78 cents a share, or \$117 million.

Mr. Eckenfelder said he had calculated that Salomon Brothers probably had losses of \$75 million to \$100 million in April from bond trading and reductions in revenue because of low trading volume in April and May.

Sources close to the firm said that the figure was more than \$100 million in trading and revenue losses and that, overall, Salomon Brothers had pretax losses of more than \$40 million during April.

Salomon's stock closed Wednesday at \$34.375, down \$1.375, on the New York Stock Exchange as well as the earnings reduction spread. It rose Thursday to \$34.75. The stock price of First Boston fell to \$44.75 on Wednesday, down \$1. At Thursday's close it was up to \$44.875.

AT&T, Philips Will Set Up A Telecom Venture in Spain

Reuters

MADRID — American Telephone & Telegraph Co. and Philips NV will set up a Spanish telecommunications venture by absorbing part of the work force of Marconi Española SA, the ailing electronics company.

An Industry Ministry spokesman said Wednesday that the two companies would each acquire a 50 percent holding in a new concern making office communications systems, which will take 450 employees from Marconi.

The venture will give the two companies a foothold in Spain's fast-growing telecommunications market and guaranteed sales to Compañía Telefónica Nacional de España, which holds a monopoly on Spanish telephone services.

AT&T and Philips, through their

Dutch-based joint venture APT Co., are linking up with a quickly expanding Spanish phone equipment company, AMFER SA, to invest \$30 million in the new firm, which still is to be named.

The venture, which will begin operations late next year, is expected to have sales of 4 billion pesetas (\$31.6 million) in its first full year of operation, officials said.

Amex Sees \$50 Million Loss

NEW YORK — American Express Co. said Thursday that it expected a loss of \$50 million in the second quarter because its banking unit was adding \$600 million to loan-loss reserves. The company said the move by American Express Bank Ltd. would result in an after-tax charge of \$520 million against the unit's earnings.

Mazda Profit Plunges 68% As Yen's Rise Cuts Into Sales

Reuters

TOKYO — Mazda Motor Corp. said Thursday that its current profit plunged 69 percent in the six months ended April 30, to 5.03 billion yen (about \$35 million), from 16.03 billion in the year-earlier period. It attributed the gloomy results to the yen's rise against the U.S. dollar.

It predicted that current profit would total just 10 billion yen in the year ending Oct. 31, down 50.8 percent from the year before. Current profit is roughly equivalent to pretax profit.

The forecast presumes that the average yen/dollar exchange rate will rise to 147 yen from its present level around 145 and its first-half average of about 155, company officials said. In the first half of last year, the yen's value averaged 190 to the dollar.

The officials forecast that sales would be almost flat for the year at around 1,640 billion yen.

Mazda said that the yen's strength had shaved about 55 billion yen off sales in the first half. Revenue for the period fell 4.2 percent to 804.02 billion yen from 839.2 billion in the like period of fiscal 1986.

For the period, parent net profit plunged 77 percent, to 1.59 billion yen from 6.88 billion.

Mazda estimated vehicle exports for the full year at 1.12 million, including kit parts, up 6.8 percent from the year before.

Analysis said the result was at the high end of expectations. Net profit climbed 22 percent to \$1.26 billion, or 20.9 pence per share.

The rise in fiscal 1987 profit came on a 12.3 percent increase in group sales, to \$9.42 billion.

Despite suffering a three-week strike by British Telecom engineers, the company increased its telephone call income 9.5 percent to just under \$5 billion. Phone rental income climbed 10.6 percent to just over \$3 billion.

British Telecom's Pretax Profit Rises 12%

By Warren Gerdler
International Herald Tribune

LONDON — British Telecommunications PLC, the communications group that was sold to private investors in 1984, reported Thursday an 11.7 percent increase in pretax profit to \$2.07 billion (\$3.36 billion) in the fiscal year ended March 31.

Analysis said the result was at the high end of expectations. Net profit climbed 22 percent to \$1.26 billion, or 20.9 pence per share.

The rise in fiscal 1987 profit came on a 12.3 percent increase in group sales, to \$9.42 billion.

Despite suffering a three-week strike by British Telecom engineers, the company increased its telephone call income 9.5 percent to just under \$5 billion. Phone rental income climbed 10.6 percent to just over \$3 billion.

Net fourth quarter profit showed a 28 percent hike to \$341 million, or 5.6 pence per share.

The company said its full year dividend would rise to 8.45 pence per share from 7.5 pence last year.

Despite the higher profit, British Telecom's shares fell on the London Stock Exchange on Thursday, closing at 303 pence after Wednesday's close of 314.

Jack Summerscale, telecommunications analyst with Barclay de Zoete Wedd, the London brokers, said the share price slump "reflects the fact that the Japanese did not rush into BT after the earnings announcement," as many here had expected.

Mr. Summerscale said he expected even better earnings figures from British Telecom this year.

The government of Prime Minister Margaret Thatcher, in its first big "privatization" sale, sold a 50.1 percent stake in British Telecom through a public offering in November 1984 valued at \$3.9 billion.

Mr. Clausen is highly regarded in Japan because of his services to the country when he was president of the World Bank.

base but offered no specific proposals.

BankAmerica disclosed earlier this month that it expected a \$1 billion loss for the second quarter, mainly because of a \$1.1 billion increase in its reserves to cover loans to developing nations. BankAmerica, the second-largest U.S. banking concern, also said it expected a loss for the year.

Mr. Clausen is highly regarded in Japan because of his services to the country when he was president of the World Bank.

Trump Is Reported to Hold 17% of Pan Am

By Robert J. Cole
New York Times Service

NEW YORK — Donald J. Trump, the New York developer, has accumulated nearly 17 percent of the shares of Pan Am Corp., owner of Pan American World Airways, an airline official has disclosed.

An executive familiar with the purchases said that Mr. Trump "may go after much more." Mr. Trump is understood to have begun accumulating the stock in the last few weeks, the executive said.

Mr. Trump's attitude, one executive said Wednesday, appeared to be that "he doesn't seem to care whether Pan Am makes or loses money" because he makes so much money from his casinos. Mr. Trump, 41, is expected to make a \$200 million profit this year just from his two casinos in Atlantic City, New Jersey.

He has, according to this account, at least two goals in mind with Pan Am: to make an aggressive investment in an undervalued stock and to bring scheduled airline service to Atlantic City, where he is expected to add another casino to his holdings soon, and to Paradise Island in the Bahamas, where he soon will have casino operations.

Mr. Trump is understood to have avoided all contact with Pan Am executives. Reached at his Manhattan headquarters, Mr. Trump said, "I have no comment whatsoever."

Pan Am lost \$463 million last year, but Edward C. Acker, its chairman and chief executive, said as recently as May that the airline might break even this year.

Under federal securities law, anyone buying 4.9 percent or more of a company's stock must file disclosure papers. Mr. Trump's initial interest, 12 percent of Pan Am's stock, became known when a Florida probate judge cleared the way for him last week to buy control of

Resorts International Inc., the hotel-casino company.

Mr. Trump bought control of Resorts from the estate of James M. Crosby, Resorts' founder. Mr. Crosby had bought 12 percent of Pan Am's shares for Resorts shortly before his death last year.

With that block in hand, Mr. Trump is understood to have been buying stock in his own name in the last few weeks, at around \$4.50 a share.

On Thursday, Pan Am shares closed at \$6.125, up 50 cents, on the New York Stock Exchange.

Mr. Trump is thought to have deliberately limited his personal investment in Pan Am to slightly less than 5 percent to avoid having to disclose his holding. By law, if he owned 4.9 percent he not only would have to disclose the amount but what he intends to do with it.

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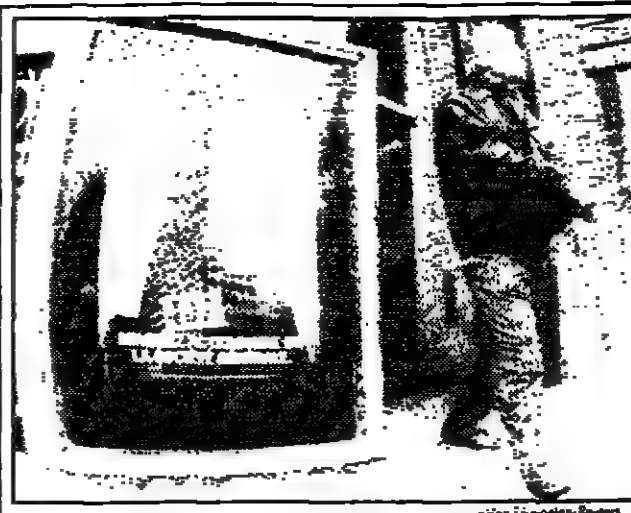
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The privatization of Société Générale began Monday.

Sales of State Firms Net France 52 Billion Francs

Reuters

PARIS — The program of selling off state-run companies began last year has earned the French state about 52 billion francs (\$8.5 billion) at current rates, the Finance Ministry said Thursday.

Sources close to Finance Minister Edouard Balladur said that the money would be used to help pay off a public debt that stood at 398.2 billion francs at the end of 1986.

On Sunday, Mr. Balladur had rejected press and opposition charges that share prices for the privatized companies had been set too low and were a "giveaway" to make the government's program look good.

Mr. Balladur said that the average premium of shares trading on the Bourse was between 15 and 30 percent over their offer price, and that this compared with premiums of between 60 and 80 percent on similar share flotations in Britain.

The ministry said that the returns included those from Société Générale, the banking group whose two-week public flotation began Monday. It was the eighth state-owned company put up for sale, of the 66 privatizations planned. The public sale offer for 40 percent of the television channel TF-1 will start June 29, ministry sources said.

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New Zealand To Sell 25% Of Airline

Reuters

WELLINGTON, New Zealand — Twenty-five percent of state-owned Air New Zealand Ltd. will be sold to the public, the minister of civil aviation, Richard W. Prebble, announced Thursday.

He said the government would appoint an adviser to help it decide how the shares should be sold, the timing and the price.

"We are in no particular rush to sell our shares in Air New Zealand," Mr. Prebble said. "Our aim is to maximize the benefit to the taxpayer. If that means waiting for a while, then so be it."

He said that Air New Zealand expected to release its results soon for the year ending March 31, and that he was confident it would post an excellent profit.

Mr. Prebble said that access to new sources of capital would help the airline expand and develop.

Norman Geary, the company's managing director, said the sale would release the airline from burdensome government procedures. He said the company had proposed the sale in 1984.

The announcement on Air New Zealand follows the public sale in March of about 13 percent of Bank of New Zealand Ltd. The government has said it also will float part of the capital of other state-owned operations, including DFC New Zealand Ltd., and Petroleum Corp. of New Zealand Ltd.

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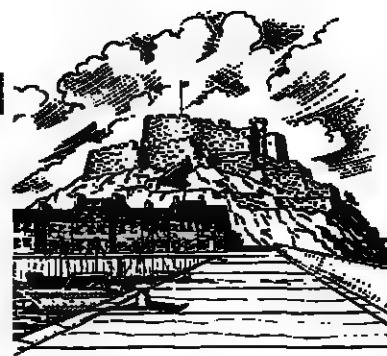
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Dairy Farm Bids To Raise Stake in U.K.'s Kwik Save

Reuters

HONG KONG — Dairy Farm International Holdings Ltd. of Hong Kong offered Thursday to increase its stake in Britain's Kwik Save Discount Group PLC to up to 25 percent at a price of up to £146.6 million (\$240 million).

The offer, for up to 32.58 million Kwik Save shares at 450 pence each, would increase Dairy Farm's stake from 5.25 million shares, or 3.5 percent.

The offer, which will begin on Monday and end on June 30, requires that enough shares be tendered to bring Dairy Farm's stake to at least 15 percent.

Dairy Farm said it would finance the acquisition in part by placing 80 million shares with its affiliate Jardine Strategic Holdings Ltd. at 5.10 Hong Kong dollars each for a total of 454 million dollars (\$58.2 million).

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ECONOMY: Problems Are Worsening, Agency Says

(Continued from Page 1)

Exchange rate markets could be realized. The report warned that "if business confidence and spending continue depressed" in the countries whose currencies have been appreciating and if export sales remain weak, this might lead to even more subdued growth in domestic demand and exports. In this case the international payments imbalances between the three biggest OECD countries could remain at present levels or even grow.

Despite the substantial devaluation of the dollar over the past two years, the OECD projects that the U.S. current-account deficit will widen a further \$7 billion this year, to \$147 billion. Next year, this would shrink by almost \$20 billion, it projects.

But, the OECD said, the deficit is likely to remain at unprecedented levels for a number of years unless either relative rates of growth of domestic demand are more skewed in favor of non-U.S. countries or U.S. competitiveness improves substantially through a continuing decline of the dollar.

"Until the pattern of growth rates of domestic demand in the United States and the rest of the OECD becomes more conducive to adjustment," the report said, "the U.S. external deficit may remain large and tend to feed on itself through the interaction with the growing stock of net external liabilities."

The report also noted that the U.S. interest paid on the growing volume of U.S. assets held by foreigners. In a nutshell, the OECD said that the imbalances "will not go away easily and, on present conditions and policies, might even widen."

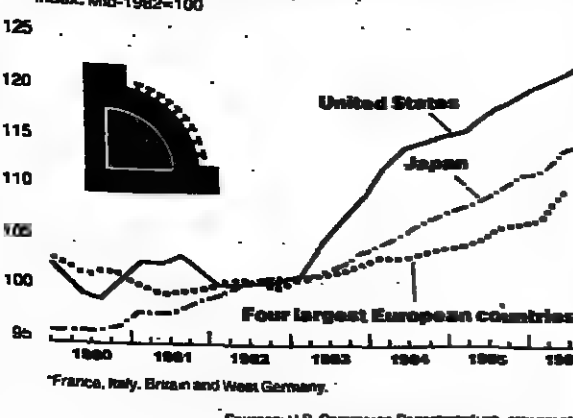
The problem is that "such imbalances are unlikely to be sustained."

Thus, either policies must change — which is what the OECD is urging — or the dollar will continue to decline. But a further drop in the value of the dollar would likely boost inflation in the United States and interest rates and, at the same time, weaken growth elsewhere because of reduced exports and weakened business investment.

"Various possibilities might be opened up by such a chain of events — many of them unpleasant to contemplate: at a minimum, a slowing of world growth and the

A Trade Focus: The Big Variance in Demand

A comparison of changes in real domestic demand (total spending on goods and services) in selected industrial countries. The Council of Economic Advisors notes that the strong U.S. demand, encouraged by a healthy economy, exceeds U.S. production and therefore has increased spending on imports. The relatively weak demand abroad, however, has limited expansion of the U.S. export market.



Source: U.S. Commerce Department, country sources.

exacerbation of the problems of developing countries would seem to be implied," the report said. To head this off, the OECD is urging the United States and West Germany to take corrective action. For now, the OECD did not call on Japan to do more.

"We want to see the result of the

U.S. deficits, the report said, "will not go away easily and, on present conditions and policies, might even widen."

action already taken by Japan before urging more," Mr. Henderson said, referring to the supplemental budget of 6 trillion yen (\$40 billion) that the government announced last month.

Most urgently, the OECD wants to see slower growth in U.S. domestic demand from a substantial reduction in the budget deficit, and a greater stimulus to demand in West Germany stemming from actions both on budget and structural policies.

By structural, the OECD means that Germany should reduce the subsidies it pays to farmers and use

at 1.5 percent compared with the official government forecast of 2 percent.

Not is the OECD convinced that the United States is likely to achieve the reduction in the budget deficit that the administration has set. The OECD believes this can only be accomplished through a combination of spending cuts and tax increases. President Ronald Reagan, however, continues to rule out any tax rise.

"The broad directions in which policies need to move are well recognized by governments," Mr. Henderson said.

Inflation Seen as Threat to U.S. Recovery

International Herald Tribune

The "overriding priority" for the United States is to substantially reduce its budget deficit, possibly by raising taxes, the OECD said.

"Failure to reach a satisfactory agreement" on taxes in Congress, "could seriously affect confidence, both in the United States and elsewhere," the OECD warned.

It predicted that the U.S. economic growth rate would edge up to 2.75 percent next year from 2.5 percent this year and last, but forecast that domestic demand would grow relatively slowly.

But inflation appears to be heading higher, partly because of the lower dollar. The OECD predicted that inflation would rise 4 percent this year and 4.5 percent next, after 2.1 percent in 1986.

The substantial depreciation of the dollar over the past two years is having the intended effect on the U.S. trade position, but not enough, the report said.

"In contrast to the last two years, net exports should exert a positive influence on GNP growth, adding perhaps 0.75 percent in both 1987 and 1988," it said.

But at this point, a further decline in the dollar would not be desirable because it would fuel inflation and likely lead to higher interest rates, the report said.

Higher inflation and a continuing large external deficit would "pose increasing risks" to the U.S. outlook, the OECD said.

"The risk that the recovery will be aborted by sustained upward pressure on interest rates is quite significant," the OECD warned, adding that "recession to protectionism would contain dangers of even greater financial and commercial disruption."

Partly because exporters have been slow to raise prices, U.S. import volumes rose 11 percent last year at a time when domestic demand grew only 3.5 percent.

This year, the OECD projects that exports may grow more than 12 percentage points more rapidly than imports. But the rising cost of the imports will overwhelm the increased exports, producing a further deterioration in the U.S. trade deficit in dollar terms — to \$157.75 billion from last year's \$147.71 billion.

Against the dollar over the past two years and to the resulting loss of exports.

But the OECD warned that the key to an improvement in the economy was higher domestic demand, which is forecast to rise only by 2.5 percent this year and 2.75 percent in 1988, well below the 1986 rate of 3.7 percent.

While the OECD praises the government's plan to bring forward to next January 5 billion DM (about \$2.7 billion) in tax cuts, it is not as optimistic as Bonn that it will be enough.

"Officials in both Germany and Japan take a more buoyant view on the prospects" for such measures, said David Henderson, chief OECD economist. "These differences are well within the margin of error" to be found in any forecast.

Part of the slowdown can be attributed to the substantial appreciation of the Deutsche mark

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Britain: Faster Inflation

Reuters

Britons should expect an increase in inflation in the next 18 months, chiefly because of rapidly rising wages.

Slower economic growth, as higher prices affect consumer spending, and a widening trade gap are also forecast along with a drop in unemployment rates.

Unemployment is expected to be at 11 percent in the second half of 1987, down from 11.7 percent in the like period in 1986, and at 10.75 percent of the work force by the end of 1988. (The government reported Thursday that unemployment fell below 3 million in May — to 10.6 percent — for the first time in four years. Page 11.)

Consumer prices are expected to rise at a 4.25 percent annual rate in the second part of this year and at a 4.5 percent rate in 1988. Last year's average was 3.7 percent.

The rise in pay is likely to harm Britain's competitive position after a marked improvement in 1986.

Export growth is projected to slow and the trade balance to deteriorate sharply to a \$6 billion deficit in 1988 from a forecast deficit of \$2.5 billion deficit this year.

Unemployment will worsen.

The growth rate during the next six months of France's gross domestic product, the total value of goods and services excluding foreign investment income, was estimated at about 2 percent. That would be in line with 1986 trends but much better than the 0.5 percent rate in the first half of this year.

"The economic situation has deteriorated somewhat during the early months of 1987. Activity has slowed, primarily reflecting an inventory adjustment, while unemployment has risen rapidly and inflation has accelerated," the OECD said.

Unemployment is likely to reach 12 percent of the work force by the end of 1988. The government this month projected 3.4 million unemployed by 1991, up from 2.66 million in April.

Employment in the private sector could increase slightly in 1988, but the rise is likely to fall well short of the growth in the labor supply. Inflation is expected to slow and domestic demand for goods should pick up in the second half of this year.

Italy: More Jobless

Reuters

The economy will show fairly healthy growth this year, but unemployment is likely to increase.

Slightly lower inflation is forecast for the next two years, and workers should get reasonable pay raises.

Last year, Italy ranked as one of the fastest growing economies with gross domestic product rising 7.2 percent.

Italy's GDP may grow by 3 percent in 1987, but will then fall back to 2.5 percent in 1988. While such growth could boost employment by 0.25 to 0.5 percent, an even faster rise in the size of the work force of 0.75 percent will mean higher unemployment.

An 11.75 percent jobless rate is forecast by the second half of 1988, up from an expected 11.5 percent rate for the second half of 1987 and 11 percent in the second half of 1986.

In 1987, the consumer price rise could slow to 4.75 percent on an annual basis from 6.1 percent in 1986, but inflation will probably stabilize around 5 percent. Wage increases this year and next should boost consumer spending but are expected to slacken in 1988.

Japan: Spending Package Clouds Picture

International Herald Tribune

Of all the country analyses contained in the OECD semiannual Economic Outlook, the commentary on Japan is the most tentative because of the uncertain impact of the government's planned supplemental budget package of 6 trillion yen, or about \$40 billion.

Not enough details have yet emerged for economists to begin running the numbers through their computers. In addition, given past Japanese promises that were only partly fulfilled, there is considerable skepticism about the implementation.

Nevertheless, the OECD's chief economist, David Henderson, told reporters that the additional planned spending and tax cuts could add 1 per-

centage point to the nation's economic growth rate as well as "some stimulation to imports."

Not including that projected stimulus, the secretary is projecting a 2 percent rate of economic growth this year and next with domestic demand running at about 2.5 percent and inflation rising to 1.75 percent in 1988 from zero this year.

Japan's trade surplus is expected to increase this year to \$105.5 billion from \$92.7 billion last year. Next year, the surplus is projected at just over \$100 billion.

However, the wider current account surplus will not rise as much as the trade surplus, it said. The OECD is projecting a \$9 billion increase, to \$95 billion.

INTERNATIONAL REAL ESTATE MARKETPLACE

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UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

In re: Master File MDL No. 385 M 21-16 (CES)

OCEAN SHIPPING ANTITRUST LITIGATION

NOTICE OF OPPORTUNITY TO FILE LATE CLAIM

TO: PURCHASERS OF SHIPPING SERVICES ON CARGO VESSELS IN THE UNITED STATES/EUROPE TRADE DURING THE PERIOD JANUARY 1, 1971 THROUGH DECEMBER 31, 1979. FROM ANY OF THE FOLLOWING DEFENDANT SHIPPING LINES:

AUX ACHETEURS DE SERVICES MARITIMES SUR CARGOS POUR LE TRAFFIC ETATS-UNIS/EUROPE AU COURS DE LA PERIODE ALLANT DU 1ER JANVIER 1971 AU 31 DECEMBRE 1979 INCLUS, A L'UNE OU L'AUTRE DES LIGNES MARITIMES DEFENDEUSES SUIVANTES:

AN DIE KAUFER VON SCHIFFAHRTSDIENSTLEISTUNGEN AUF FRACHTSCHIFFEN IM USA/EUROPA-VERKEHR WAHREND DER ZEIT VOM 1. JANUAR, 1971 BIS EINSCHLIESSLICH 31. DEZEMBER, 1979 BEI IRGEND EINER DER FOLGENDEN BEKLAGTEN SCHIFFAHRTSLINIEN:

AMERICAN EXPORT LINES
ATLANTIC CONTAINER LINE
BRISTOL CITY LINE
COMPAGNIE GENERALE MARITIME
COMPAGNIE MARITIME BELGE
CONSOLIDATED CONTAINER SERVICE CO.
CUNARD S.S. COMPANY
DART CONTAINERLINE
FARRELL LINES

HAPAG-LLOYD ARTIENGESellschaft
INTERCONTINENTAL TRANSPORT
SEA-LAND SERVICE
SEATRAN INTERNATIONAL
SEATRAN LINES
SWEDISH AMERICAN LINE
SWEDISH TRANSATLANTIC LINE
UNITED STATES LINES
WALLENUS LINE

This Notice is published in the belief that your rights might be affected by the opportunity to file a late claim in this lawsuit. This Notice is published for the sole purpose of informing you of the pendency of the lawsuit and of your opportunity to file a late claim to protect your interests, if you wish to do so.

YOU ARE HEREBY NOTIFIED that if you are a member of the class certified in this lawsuit, as described below, AND HAVE NOT ALREADY FILED A CLAIM AGAINST THE SETTLEMENT FUND, you may file a late proof of claim until October 1, 1987.

The Litigation and Settlements

Plaintiffs alleged that beginning at least as early as 1971 and continuing through 1979, the defendants and others combined and conspired unlawfully to fix, raise, maintain or stabilize price levels for the shipment of freight in the United States/Europe trade and that as a result thereof, the prices for such transportation of freight were higher than they otherwise would have been. Plaintiffs sought the recovery of treble damages under the United States Antitrust Laws together with reimbursement of costs and awards of attorneys' fees. Defendants (the firms listed above) denied the claims, denied any liability, denied that any plaintiff or potential class member was entitled to any damages and asserted a number of affirmative defenses in the litigation.

On the basis of the agreements of the parties, the District Court determined that the litigation may proceed as a class action. The Class is defined as follows:

All purchasers of shipping services on cargo vessels in the United States/Europe trade during the period 1971 through 1979 inclusive (excluding governments and government agencies other than wholly or partially government-owned business enterprises, and further excluding defendants or any of their parents, subsidiaries, affiliates or agents) from any of the following shipping lines: American Export Lines, Atlantic Container Line, Bristol City Line, Compagnie Generale Maritime, Compagnie Maritime Belge, Consolidated Container Service Co., Cunard S.S. Company, Dart Containerline, Farrell Lines, Hapag-Lloyd Aktiengesellschaft, Intercontinental Transport, Sea-Land Service, Seatrain International, Seatrain Lines, Swedish American Line, Swedish Transatlantic Line, United States Lines, or Wallenius Line.

The term "United States/Europe" trade

SPORTS

Dick Howser: He Gave His All, Which Was a Lot

By Thomas Boswell

Washington Post Service

WASHINGTON — Dick Howser's life was much too short. He died Wednesday. The reputation and the memories he left behind as his sliver of baseball history are, however, just right.

What was within his power, he handled as well as anyone could. He will be recalled, and for a long time, as a man who proved the difference between show and substance. With Howser, what you saw was much less than what you got.

Howser could not have been given much less in the way of raw material. As they say, he wasn't tall, but he didn't have muscles. Yet he played shortstop for eight years in the major leagues and hit .248 which, nowadays, probably would have made him a million dollars. Then, it got him a job coaching.

Scrubbed and brushed, he was boyish and agreeable, but he couldn't pull off handsome or even mildly impressive. His voice wasn't deep, his glare wouldn't have pierced cream cheese and, though he was naturally smart, he wasn't brilliant or bookish. He waved home runs and hit fingers for 10 seasons before the New York Yankees promoted him to manager. A boy wonder he wasn't.

In his first season, his team won 103 games and almost made it to the World Series. Then Howser

did something that will be remembered much longer. George Steinbrenner told Howser to fire coach Mike Ferraro, one of Howser's friends, as a scapegoat gesture after the playoffs.

Quietly, Howser said, "No."

Steinbrenner screamed, "Yes."

Howser, with the most glamorous job in baseball, the job he had worked 22 years to get, replied: Fire my friend, fire me.

At a news conference, Steinbrenner tried to gloss over Howser's dismissal, saying Howser had asked to leave and had not been pushed. Howser, a man with no power in his game or personal wealth, quietly and politely told everyone that, though he was sorry he had to point it out, that Steinbrenner had just said he was untrue and he knew it.

Within baseball, that incident answered all the questions anybody ever had about Howser. You couldn't buy him. You couldn't intimidate him. You couldn't silence him. His loyalty was absolute. No prize baseball could offer could make him lie or betray a friend.

In a world of large, gifted, ambitious and often belligerent men, Howser quickly became one of the few who was universally respected, admired and warmly liked. One out of three wouldn't be bad. How many others could claim to be all three? Howser's most remarkable trait was that, when

he spoke, people believed every word. Not that his words were more profound than those of a hundred other managers had said. They weren't. What distinguished Howser was that he said only what he truly thought. In 1985, his Royals trailed the California Angels by 7½ games at the all-star break, but beat the Angels by one game. Then, in the playoffs, they trailed a superior team, the Toronto Blue Jays, three games to one. Howser called a meeting and said, "I still feel like we can get this thing done."

As second baseman Frank White recalled, "That was about all he said. He didn't yell. But he really believed it. And then we believed it."

No team of mediocre gifts ever did so much against odds so great as those Royals. They beat Toronto, then fell behind the significantly better St. Louis Cardinals, 2-0 and 3-1. They, of course, came back to become world champions, winning six sudden-death postseason games.

The clearest memory from that World Series is of Howser. In Game 2 he had left a struggling starter, Charlie Leibrandt, on the mound and Dan Quisenberry, the most effective relief pitcher of the decade, in the bullpen until too late. Leibrandt lost the game.

The next day in St. Louis, there was no game. Just questions. Thousands of them from hundreds of reporters who were convinced that Howser had blundered badly. The first several times Howser

explained his decision, I still thought he was dead wrong. Then, I noticed my watch. Wave after wave of reporters were descending on Howser. Every 20 minutes, the same questions would recur. For two hours, Howser did not move. He knew he would be blasted in every paper, on every radio and TV broadcast from coast to coast. He wasn't going to change the second-guessers' minds.

And he didn't care.

"Second-guessing is part of the game," he said. "I do it, too. It's my job to make decisions, then explain them and then take the heat."

So he stood and loaded his own quotes into all the guns aimed at him. The loss of a World Series was going to be laid at his small feet.

When he told Howser last July that he had a malignant brain tumor, he told the Royals to hold his job, please, because he'd be back for spring training.

Dick Howser failed to manage the Royals this year, because he could not beat cancer, because he died Wednesday. But the day he reported to camp, dozens of pounds underweight and his uniform hanging on him like a sheet, that day he was a winner, too. He stood in his big floppy golf hat with all the fresh scars underneath and answered the questions. He reported for duty. Shoulders back, proud of what was left of himself. Two days later, he retired. Too hot. Too hard.



George Brett and teammates mourned the death of their former manager.

Howser's private tragedy was that he did not live long enough for the family he dearly loved. The public Howser is our province; that part of him got to fulfill most, if not all, of its destiny. In another 20 years he probably would have won more pennants. But he could not have proved anything new about himself. All the best already was on display.

U.S. Olympic Officials Shun Idea of Boycott

By Michael Janofsky

New York Times Service

NEW YORK — U.S. Olympic officials expressed concern Wednesday over recent demonstrations in South Korea, where the 1988 Summer Games are to be held. But they said it would be inappropriate to suggest, as had the Reverend Jesse Jackson, that the threat of a U.S. boycott would push South Korea's government toward political reform.

George D. Miller, the U.S. Olympic Committee executive director, said U.S. officials were monitoring events in South Korea, where protests against the government of President Chun Doo Hwan had spread this week from Seoul to other cities in the country.

"We're at the watch stage right now," Miller said. "Certainly, anytime there are disruptions in a country, naturally, there are levels of concern. But we're not yet at the hand-wringing stage."

International Olympic Committee officials have said they have no alternative plans.

Jackson, an undecided candidate for the Democratic nomination for president, met Monday with the South Korean ambassador in Washington, and said that he had told him that a U.S. boycott of the Games could be used to bring about changes in South Korea.

"We're not calling for a boycott," Jackson said Wednesday on the ABC program "Good Morning America." "Yet it is high up on the ladder of considering. Something must be done."

Boycotts have disrupted the last three Summer Olympics. The United States and 65 other nations did not participate in the 1980 in Moscow because of the Soviet presence in Afghanistan. Four years later, the Soviet Union and 13 of its allies did not attend the Los Angeles Games, citing inadequate security, although it was widely believed that the actual reason was retaliation. In 1976, African nations refused to compete in the Montreal Games to protest against the inclusion of New Zealand, whose national rugby team had played against South Africa.

Boycotts "don't work, pure and simple," said Anita DeFramt, a former Olympic rower and currently one of two U.S. members of the IOC. "Why would we use something we know doesn't work? The people of South Korea will have to make decisions for themselves."

If the demonstrations were to continue, she said, "they would become a concern. But we're still 15 months away. That's several eternities, the way the world moves now."



Wales Sneaks Into 3d Place

Australia's Brian Smith was too late Thursday to stop Gareth Roberts from scoring the first try for Wales, which won, 22-21, in New Zealand to take third place in the World Cup of rugby. Australia had to play with 14 men after English referee Fred Howard sent off flanker David Codely five minutes into the contest for an offense in the bottom of a ruck.

Winning U.S. Open May Be Olympian Feat

By Gordon S. White Jr.

New York Times Service

SAN FRANCISCO — Bill Williams, president of the United States Golf Association, suspects the 87th U.S. Open championship may be a repeat of the famous Opens played on the Olympic Club's Lake Course in 1955 and 1966.

Each of those tournaments ended in an 18-hole playoff and a major upset. Jack Fleck beat Ben Hogan in 1955 and Billy Casper beat Arnold Palmer 11 years later.

"I hope you have all reserved rooms through Monday night," Williams said Wednesday on the eve of the start of this year's tournament.

No matter how long the Open lasts, the expectations are that a golfer such as Greg Norman of Australia, Seve Ballesteros of Spain, Lanny Wadkins, Hal Sutton or Sandy Lyle of Scotland will be victorious Sunday afternoon — or Monday afternoon.

Norman may be the favorite on this 6,700-yard (6,124-meter) course because of his record in the last five major championships. He earns this top billing because he led all four of

the majors after three rounds, winning the British Open, finishing second in the Masters and the PGA and 12th in the Open at Shinnecock Hills. He lost this year's Masters in a playoff to Larry Mize.

Norman was the loser in the Open playoff when Fuzzy Zoeller

out on No. 10, the first playoff hole. Corey Pavin, the PGA Tour's leading money winner, who has won twice this year, must also be counted as a contender since his iron play is superb under pressure.

Whoever wins this Open will be a man of patience with an ability to

Memorable 18-hole playoffs are not unknown at the course in San Francisco.

won the championship by beating him in 1984 at Winged Foot. Ballesteros, who finished a dejected second to J.C. Snead in last week's Manufacturers Hanover Westchester Classic, is apparently playing very well. He was smiling and joking with spectators and fellow competitors as he played his final tune-up round Wednesday in bright sunshine and cool weather.

Sutton is rated highly because he is as good an iron player as there is when his game is right. Wadkins has finished in the top 10 four times in the last five Opens and Lyle, who won the 1985 British Open, is playing well in the United States this year. He took the Tournament Players Championship, which many feel has the best field of any tournament year in and year out.

Then there is Mize, who beat both Norman and Ballesteros in the Masters' playoff two months ago. Mize finished off Norman in spectacular fashion when he chipped into the cup from off the 11th green — the second hole of the playoff. Ballesteros had dropped

hit balls from uphill and downhill lies to tiny greens. He will also be a man who probably won't take many chances — the price of failure is too high because of the usual high Open rough, the tree-lined fairways and the hard, fast greens.

P.J. Bowright, senior executive director of the USGA for Rules and Competitions, admitted Wednesday that three greens on the course were getting close to being "unplayable."

"Seventeen, 18 and 7 may get too fast," Bowright said. "We may have to raise the mowers when cutting those greens each day and already we are only single cutting them."

Zoeller thought the course may have the edge over the golfers this week. "I don't foresee any place to take a chance out there," he said. "You have to shoot at an area of each green, not at the pins."

He also said that getting off to a good start was a must. The first four or five holes of the course are unusually difficult opening holes, and since the course finishes with two very difficult holes, there is little way to play off for lost ground.



Seve Ballesteros of Spain, one of the favorites in the U.S. Open golf tournament that was to begin Thursday, listened as Mac O'Grady explained the design of his new putter.

SCOREBOARD

Baseball

Wednesday's Line Scores

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